

REPORT OF THE WSCUC TEAM
SPECIAL VISIT

To
International Technological University

May 7, 2015

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The team evaluated the institution under the 2013 Standards of Accreditation and prepared this report containing its collective evaluation for consideration and action by the institution and by the WASC Senior College and University Commission (WSCUC). The formal action concerning the institution's status is taken by the Commission and is described in a letter from the Commission to the institution. This report and the Commission letter are made available to the public by publication on the WSCUC website.

SECTION I – OVERVIEW AND CONTEXT

International Technological University (ITU) is a non-profit, graduate-only institution located on a new campus in Silicon Valley and serving mostly international students in keeping with its mission. ITU was granted Initial Accreditation in February 2013 and required to host a Special Visit in fall 2014 to verify progress in leadership development, financial management, faculty adequacy, institutional research, mission, and strategic planning. The October 2014 site visit resulted in a generally positive report on each of the identified items.

Subsequent to this Special Visit, the WSCUC office received a number of Third Party Comments related to inappropriate actions by executive-level leadership. These actions, if substantiated, would indicate institutional non-compliance with several WSCUC Standards and with federal reporting requirements related to student visas, with potential to impact the institution's sustainability. The Comments were sufficiently detailed and supported with evidence that staff determined to conduct an immediate investigative visit. This was conducted on February 6, 2015.

The Chair of the October Special Visit team, Dr. Geoff Bannister, President of Hawaii Pacific University, agreed to head the investigation. Two other evaluators joined the team: a veteran financial evaluator and another with extensive Student Exchange Visitors Program (SEVP) experience. The institution was notified of this visit and numerous requested documents were received. The institution cooperated fully with the investigation.

Since these critical matters were unfolding at the time of February 2015 session, the Commission acted to defer action on the October 2014 visit report, call for a follow-up visit in May to address these recent matters, with findings from these several visits combined for action at the June session of the Commission.

The institutional report submitted in preparation for the May 7 visit was detailed, concise, appropriately supported with evidence, and readily verifiable on campus.

SECTION II – TEAM'S EVALUATION OF ISSUES UNDER THE STANDARDS

The institution was specifically required to address the following issues for the May 7, 2015, visit:

Board-level Governance, with particular focus on oversight of executive action, review and approval of major initiatives, activation of key board committees, expansion of the membership and diversity of expertise of the board, and board evaluation and development.

Quality and Integrity, with regard to quality controls over key operations, financial expenditures and reporting, accuracy in reporting to state and federal agencies, and adoption of best practices in human resource management.

Executive Leadership and Management, with a focus on obtaining highly qualified persons in all leadership positions, defining roles and reporting structures for these leaders, providing for their professional development, and focusing leadership activities on the core educational mission of the institution.

SECTION III – FINDINGS

The team parsed each of the three areas of concern identified during its February visit into detailed sub-sections in order to align their findings, as follows:

WASC Recommendation I: Governance

ITU must demonstrate increased Board engagement in the following areas:

- a. Work with executive leadership in setting, supporting and evaluating key initiatives
- b. Ensuring that these initiatives and expenditures are in alignment with the institution's core educational mission
- c. Conducting systematic evaluations of the CEO against established criteria
- d. Activating key Board Committees, including finance, membership, and education
- e. Expanding the size of the Board to include significant representation of higher education experience
- f. Conducting systematic Board self-evaluation and development. (CFRs 1.7, 1.8, 3.7, 3.8)

WASC Team Findings

The institution's report on governance changes shows a Board that has stepped up to its requirement to be an independent source of support for the institution, with clear independence from management. Members have devoted considerable time and effort in a short period of time to professionalize the Board. More specifically, they have:

- Revised the By-Laws, with the ninth version waiting only a final legal review. The new By-Laws create clearer committee compositions and roles, consistent with the standards normally set forth by AGB.
- Instituted a new trustee recruitment process.
- Formed a Planning Committee to guide Board development.
- Created a framework for Board evaluation.

In addition, in response to Special Team recommendations, they have:

- a. With collegial leadership from the new President, focused initiatives more strategically and with greater Board input.
- b. Instituted tighter Board and institutional controls over executive spending authority and strengthened the hand of the CFO, including allowing his direct access to the Board.
- c. Committed to an annual goal setting and performance review process for the new CEO. It is recommended that the Board should consider appointing an external consultant on executive compensation to give them unbiased advice on compensation issues.
- d. Through the new By-Laws, addressed the needed committee structure changes.
- e. Assembled a short-list of nine potential candidates, several of whom have significant higher education experience. It is recommended that the Board make at least two new appointments with higher education experience as soon as feasible. Criteria need to be restricted to qualifications for the job and the new appointments should be confirmed soon.
- f. Developed an outline and expressed a commitment to intentional Board development. It needs to hold true to its commitments to a rigorous self-evaluation process as verbally expressed to the Special Team.

The Board was clearly energized to deal with the challenges and has responded well. However, it needs to keep up the progress in the coming months in order to be fully prepared for the next comprehensive WASC visit in only two years. At the same time, the Special Team reminds the Board eventually to aim for an appropriate balance between current tight Board oversight and allowing the new executive team to exercise appropriate discretion over management decisions.

Recommendation II: Quality and Integrity

ITU must establish internal processes to ensure that all relevant procedures are conducted in strict compliance with expectations around integrity of records, processes, and reporting requirements. These will include:

- a. Quality controls over key operations related to admissions, student records, transcripts, and the implementation of academic policies.
- b. Financial controls and reporting requirements.
- c. Federal and state government requirements with reference to immigration, visas, Student and Exchange Visitor Information System (SEVIS), and Curricular Practical Training (CPT).
- d. Adhering to established human resources protocols and best practices in personnel management, including relations with external contractors.
- e. Setting controls against internal conflicts of interest and the appearance of private inurement through University resources. (CFRs 1.7, 3.6, 4.1)

WASC Team Findings

ITU has made several personnel changes to improve integrity of operations, including the appointment of a designated compliance officer (albeit, in-training) and the appointment of a new, highly regarded Principal/Designated School Official (PDSO) for international recruitment. The decisions of the PDSO, in particular, need to be given extraordinary weight as ITU continues to refine its international operations.

In terms of the WASC recommendations individually:

- a. The new policy process that runs academic policies through both the new Academic Leadership Council and the former Academic Quality Committee replaces a system too much dominated by the call of the former President by a more open and transparent process. Because this is both time-consuming and unfamiliar, it will likely take time to move from an institution used to being run through corridors of power to one that is run more appropriately by established policy and procedure. The steps ITU has taken in this direction are already beginning to pay off.
- b. Financial controls and reporting have been improved by the Board's actions. However, the institution still needs a better financial reporting system, and the energy being applied to resolve this issue needs to be maintained until reporting is more consistent, efficient and reliable.

The Special Team understands that ITU had a meeting with the relevant SEVIS personnel shortly following its visit. ITU seems appropriately aware that SEVIS is critically important to ITU's business model. However, the Special Team believes the current system, which allows very early CPT participation is, while legal, likely inappropriate and that ITU needs to be more conservative in its approach to CPT. The seasoned opinion of ITU's new PDSO should carry

great weight as ITU seeks, as it has stated it will, to introduce an introductory course approach to CPT, find an equally appropriately alternative, or discontinue the practice of allowing first-semester CPT. The real decision, however, will be made under the direction of SEVIS and the Special Team advises ITU to be especially careful to follow the spirit of the CPT rules as well as just the letter. Although the CPT regulations permit employment connected with curricular practical training, CPT should not be looked at simply as a form of "work authorization."

- c.
- d. ITU's strengthening of the review processes, together with the removal of certain special privileges from the hands of the president acting alone, appears to have corrected this problem.
- e. With the transfer of power to a new president, and with the adoption of the new controls, the potential for private inurement appears to have been mitigated. However, it behooves both the Board and the new president to keep a weather eye on the newly formed Division of Global Development to ensure that it follows ITU policies and best practices, especially when operating off shore.

Recommendation III: Executive Management and Leadership

ITU must expand its efforts to recruit, support and retain qualified leadership at the executive and senior management levels, including:

- a. Establishing clear position descriptions and lines of authority
- b. Providing training and professional development appropriate to leaders' roles and responsibilities
- c. Aligning the allocation of resources – human, financial, and technological – with the established educational priorities of the University (CFRs 3.1, 3.2, 3.3)

WASC Team Findings

The Board of Trustees took immediate action after the WASC Special Team visit of February 6, 2015, to replace the then President of ITU with a seasoned academic administrator. In the interim period between the February visit and the current visit on May 7th, the Board of Trustees and the new President have been actively and productively engaged in addressing the issues the Special Team raised.

The Special Team reviewed the reported actions detailed in the ITU document *May 2015 Special Visit Report* and found the report to be accurate and comprehensive. Since the report is detailed and thorough, the team will not detail the changes here, but restrict our comments to its substantive evaluations. The Special Team came to appreciate that the rapid action to address WASC's concerns was made possible by the ITU Trustees decision to recruit a former consultant to ITU, Dr. Gregory O'Brien, who has intimate knowledge of ITU operations. Dr. O'Brien was on location within two weeks of the Board action. Specifically, Dr. O'Brien and the Board have overseen the following:

- a. New hires, reallocations of human resource assets, clearer job descriptions, clearer reporting structures and a consensus-based policy setting process have been set up and are providing a more orderly management process. The presence of a new Provost (to accentuate the role of academics) and a seasoned DSO-PDSO (with several decades of experience from a senior position at UCLA) are also doing much to create greater program integrity than existed under previous management.

- b. Training, via WASC ARC workshops and other conferences with NACUBO, WACUBO, NACADA, NASPA, AACRAO, and NAFSA, has been stepped up and the results are showing. Further training is planned for academic administrators such as department heads, but the Provost and President are also providing training in the course of normal business.
- c. Our concerns (and those of the October team) for what was clearly then a highly ambitious technology program that included excursions into a home-built Education Management System (EMS) and risky ventures on the ground in Asia, have been answered by a “build-or-buy” decision approach to the EMS. This is matched with a commitment to narrow the EMS focus to the core educational mission of the university, to one that functions as well for more domestic students, and to a technology that will strengthen existing programs and operational needs.

In summary, the team found that progress toward establishing strong board-level leadership and executive management functions has been effective and steady.

APPENDICES

The Special Team notes that the positive findings from the May 6 visit are to be combined with the team’s report from the October 2014 visit, which is attached as an appendix.