

July 12, 2021

Mr. Yau-Gen Chan  
President  
International Technological University  
3120 Scott Blvd.  
Santa Clara, CA 95054

Dear President Chan:

This letter serves as formal notification and official record of action taken concerning International Technological University (ITU) by the WASC Senior College and University Commission (WSCUC) at its meeting June 25, 2021. This action was taken after consideration of the report of the review team that conducted the Special Visit to International Technological University May 12-14, 2021. The Commission also reviewed the institutional report and exhibits submitted by International Technological University prior to the Special Visit and the institution's June 17, 2021 response to the team report. The Commission appreciated the opportunity to discuss the visit with you and your colleagues Patty Wiggin, ALO; Amal Mougharbel, CFO; Philip Ng; Director of Compliance; and Greg Li, Board Member. Your comments were very helpful in informing the Commission's deliberations. The date of this action constitutes the effective date of the Commission's continuation of the institution's current status.

### **Actions**

1. Receive the Special Visit team report that focused on: (1) the status of building and training the board of trustees, and approving bylaws that will support the Board's independence and ability to fulfill its governance and fiduciary responsibilities; (2) a budget and recent audits; (3) the status of hiring a CFO; (3) actual and projected revenue and enrollment trends; (4) the status and specifics of the SEVP decision and analysis of its expected impact on enrollment and revenue; and (5) the development of a Teach Out Plan.
2. Continue the Order to Show Cause from the October 18, 2019 Commission Action Letter which gave ITU two years until October 18, 2021 to demonstrate compliance with WSCUC standards. ITU is nearing the end of this two-year remediation period. If the institution does not satisfy WSCUC standards, the Commission could take adverse action unless the university demonstrates that a good cause extension is warranted.
3. Schedule an Interim Report to be submitted by October 18, 2021 to include:
  - a. evidence of financial sustainability including:
    - 1) 2021-22 budget that has been approved by the board
    - 2) 2020-21 actual budget figures showing both revenues and expenditures
    - 3) Three-year budget projections including revenues by source and expected enrollment targets
    - 4) Most recent audited financial statements

- 5) Compliance plan submitted to and approved by SEVP.
- b. integrity in governance as shown by information since May 2021 about new board members and minutes of board meetings; documentation of conflict of interest policies and practices for all board members, board performance review of the President, and a record and description of any board training.
- c. the board approved strategic plan; a clear assessment plan for the strategic plan; an initial baseline assessment of indicators of performance identified in the assessment plan; and initial actions informed by this baseline assessment.
- d. a completed Teach Out Plan for all programs with completed agreements with other universities.
- e. achievement of enrollment targets and an update on enrollment trends and projections, at the University and program levels.

The Commission commends International Technological University in particular for the following:

1. Continued emphasis on an industry and practitioner focused education model and its continuous adaptation in meeting changes in the Silicon Valley industry environment.
2. Engaged faculty and staff who are committed to ITU's mission, education and welfare of students and the inclusive participation of faculty, staff and students in the self-study.

In the October 18, 2019 letter that ordered ITU to Show Cause, WSCUC noted many concerns including financial distress, rapid board membership changes, and the requirement to create a Teach Out Plan. In the February 26, 2020 letter, WSCUC required a Special Visit to focus on board development, finances, resolution of the SEVP concern, and strategic planning as well as developing a Teach Out Plan. At this time, the Commission found that these issues persist and requires the institution to respond to the following issues to come into compliance with WSCUC standards:

1. Strengthen the strategic oversight and accountability capacity of the governing board by:
  - a) cultivating a culture of shared responsibility with defined and communicated boundaries for committees and between the board and the President (CFRs 3.6, 3.9, and 4.6);
  - b) moving away from excessive board involvement in day-to-day operations (CFRs 3.6, 3.9, and 4.6);
  - c) continuing training in strategic planning, governance, independence, oversight, and accountability (CFRs 3.6, 3.9, and 4.6);
  - d) increasing the board membership to expand expertise and better distribute workloads across newly formed committees (CFRs 3.6, 3.9, and 4.6); and
  - e) further clarifying and enforcing the conflict of interest policy for all members of the governing board (CFRs 1.7 and 3.6).
2. Establish strategic priorities that are clearly linked to unit plans and are systematically assessed using multiple indicators. These assessments should become the basis for

- annual goals and related strategies, including resource allocation. (CFRs 3.4, 3.7, 4.1, and 4.6)
3. Recording revenues and expenditures, which help to distinguish between one-time and continuing revenues, show expenditures by functional areas, and use real-time reporting on the current fiscal year budget. (CFRs 1.7 and 3.4)
  4. Develop and implement an achievable long-range enrollment management plan to realize new student growth and improve continuing student retention. The plan should have:
    - a) achievable admissions targets
    - b) strategies for marketing international, regional, and local students
    - c) a training and development plan for the admissions staffThe long-range enrollment management should be integrated into the strategic plan and annual planning, the assessment of the strategic plan, and the budget. (CFRs 2.10, 3.2, 3.3, 3.4, and 4.7).
  5. Submit a Teach Out plan that includes details concerning partnering institutions so that affected students may complete their education, and that budgets for anticipated costs (reserves). Refer to the WSCUC Teach-Out Policy and Guide. (CFRs 1.6 and 3.4 )
  6. Address and complete all SEVP (Student and Exchange Visitor Program) settlement requirements. (CFRs 1.6, 1.7, and 3.7)

In accordance with Commission policy, a copy of this letter is being sent to the chair of International Technological University's governing board. The Commission expects that the team report and this action letter will be posted in a readily accessible location on the International Technological University's website and widely distributed throughout the institution to promote further engagement and improvement and to support the International Technological University's 's response to the specific issues identified in these documents. The team report and the Commission's action letter will also be posted on the WSCUC website. If the institution wishes to respond to the Commission action on its own website, WSCUC will post a link to that response on the WSCUC website.

Commission policy requires that in the case of a sanction, a public statement will be prepared in consultation with the institution acknowledging the institution's status. The Commission reserves the right to make the final determination of the nature and content of the public statement. The public statement must be posted on the institution's website within seven days of receipt of this letter and proof that the statement has been posted must be provided to WSCUC within 24 hours of its posting. Enclosed is a copy of a draft public statement, which ITU may use as it stands. If you wish to propose revisions to the draft your proposed changes must be forwarded by email to Dr. Mark Goor within 24 hours of receipt of this letter. In addition, any reference to WSCUC accreditation on the website should be accompanied by the words "Currently on Order to Show Cause" and the public statement.

Finally, the Commission wishes to express its appreciation for the extensive work that International Technological University undertook in preparing for and supporting this accreditation review. WSCUC is committed to an accreditation process that adds value to

institutions while contributing to public accountability, and we thank you for your continued support of this process. Please contact me if you have any questions about this letter or the action of the Commission.

Sincerely,



Jamienne S. Studley  
President

JSS/mbg

Cc: Phillip Doolittle, Commission Chair  
Patty Wiggin, ALO  
John DuBois, Board Chair  
Members of the Special Visit team  
Mark B. Goor, Vice President