

REPORT OF THE WSCUC VISITING TEAM
SPECIAL VISIT TO
INTERNATIONAL TECHNOLOGICAL UNIVERSITY
MAY 13-14, 2021

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The team evaluated the institution under the WSCUC Standards of Accreditation and prepared this report containing its collective judgment for consideration and action by the institution and by the WASC Senior College and University Commission. 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. Once an institution achieves either candidacy or initial accreditation, the team report and Commission Action Letter associated with the review that resulted in the granting of either candidacy or initial accreditation and the team reports and Commission Action Letters of any subsequent reviews will be made available to the public by publication on the WSCUC website.

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SECTION I. OVERVIEW AND CONTEXT

A. Description of Institution and Review

International Technological University (ITU) is located in Santa Clara, California, and was founded in 1994. The unique mission of ITU continues to be to provide an innovative, industry-focused model to deliver education to a diverse student population. Its educational approach promotes innovative thinking, ethical leadership, and an entrepreneurial drive through practical, industry relevant curriculum that reflects Silicon Valley's culture. ITU's student population is constituted primarily of international students interested in high-tech careers.

A very brief summary of significant events leading up to this Show Cause visit is as follows:

- a) In March 2013, ITU was awarded initial WSCUC accreditation.
 - b) A series of serious and disruptive changes occurred in 2014.
 - c) WSCUC sent a team that visited on February 6, 2015.
 - d) In May 2015 WSCUC conducted another special visit to review the changes undertaken in response to the team's review.
 - e) In June 2018 an accreditation visit occurred, and ITU was reaffirmed for six years.
 - f) Between June 2018 and Fall 2019, the institution underwent abrupt changes in its leadership, its board of trustees, and its staffing. The president and several board members resigned, and the previous president was re-hired.
 - g) In October 2019 the WSCUC Commission issued an Order to Show Cause against ITU.
 - h) The commission required a Special Visit and then continued the Order to Show Cause.
 - i) WSCUC identified seven areas for ITU to address in its February 26, 2020 Commission action letter (listed below).
1. *Assure Board of Trustees' independence and capacity to exercise its fiduciary responsibilities for governance and planning, informed decision making, and effective*

institutional leadership, including by expanding the membership of the Board of Trustees to ensure that the members collectively have the expertise and experience in higher education, finance, strategic planning and other core areas to carry out the Board's responsibilities, and by providing that members undergo training and follow good practices related to board development and operations, decision-making, governance, and independence. (CFR 3.9)

- 2. Develop an effective system of oversight of financial and planning activities and correct current deficiencies, including hiring a qualified Chief Financial Officer (CFO) to lead financial planning and oversee and regularize budget development, fiscal reporting, auditing of annual financial statements, and proper documentation of all revenue, expenses, and loans. (CFR 3.8)*
- 3. Develop a strategic plan with a coherent vision that is realistic and operational, and that can be used for periodic assessment of progress against its goals, including student enrollment targets. (CFRs 3.4, and 4.6)*
- 4. Develop and implement plans to increase revenues, including contingency reserves to eliminate dependence on borrowing for the institution's long-term financial stability. (CFR 3.4)*
- 5. Develop a complete teach out plan that includes criteria that identify potential candidate institutions in a position to serve students specified by academic programs and sets aside the resources required to ensure students are able to complete degrees in the event of closure of the institution. (CFR 4.7)*
- 6. Proactively address and seek to resolve the Student Exchange and Visitor Program (SEVP) issue. Refine the enrollment plan and fiscal projections to take those outcomes into account. (CFR 1.4, 1.7, and 3.4)*
- 7. Create a robust Human Resources Department, whose responsibilities include policies and practices for retention, promotion, and evaluation of staff and faculty, employee development, employee compensation and recognition, benefits, employee grievances and complaints, and furloughs and voluntary or involuntary separations. (CFRs 3.2, and 3.7)*

B. Description of the Team's Review Process

The team is confident in the comprehensiveness of its review in the seven required areas identified in the February 26, 2020 Commission action letter. The team reviewed ITU's report and approximately 50 documents and met with board members, the president, various leaders, and members of the ITU community.

The team recognizes progress in multiple areas within the seven recommended areas:

- largely resolving SEVP;
- hiring an HR professional to guide ITU;
- having an employee manual in place;
- improved documentation of revenue, expenses, and loans;
- a creative, engaging and informative website;
- seeking market opportunities in innovative program areas such as cybersecurity;
- development of 30+ departmental and unit operational plans for CY 2020-2021 with key performance indicators and meeting regularly to discuss progress;
- and for the ITU governing board:
 - adding new members who expand the skill set on the board;
 - board training;
 - approving governing board bylaws; and
 - establishing committees.

C. The Institution's Special Visit Report

The team concluded that ITU conducted an informative and productive internal review. The ITU report writing process consisted of a series of meetings with the president, the director of compliance, the CFO, the accreditation liaison officer (ALO), other senior leaders, the admissions and marketing teams, and students. The team recognized and affirmed ITU's efforts in writing the report and in responding to the requests for additional documents. As a result of this review, the team was able to gain a better understanding of the progress ITU made in the areas identified.

Although the team found in the report a significant amount of critical language of past leadership, the report communicated the gravity of the Show Cause standing and urgency of the need for a

swift resolution. The report primarily focused largely on efficiency operations recently conducted, versus self-reflection on identified areas of improvement into the future.

There were references to assessment in the report but most were not elaborated or explained in context. In general, the team deemed a limited amount of evidence was initially submitted. For example, of the approximate 15 documents submitted as evidence, four were used three times, leaving 11 unique documents; many of these did not clearly link to the issues at hand and were not organized in a way that facilitated an understanding of progress that may have been made.

SECTION II. TEAM'S EVALUATION OF THE ISSUES

A. Issue: Board of Trustees

ITU has a recent history of instability in its top leadership, characterized by rapid changes in board membership and the firing (in 2015) and subsequent re-hiring (2019) of the current president. The 2020 Show Cause order from WSCUC called for a number of changes affecting the board of trustees:

“(ITU must) assure Board of Trustees’ independence and capacity to exercise its fiduciary responsibilities for governance and planning, informed decision making, and effectiveness of institutional leadership, including by expanding the membership of the Board of trustees to ensure that the members collectively have the expertise and experience in higher education, finance, strategic planning and other core areas to carry out the Board’s responsibilities, and by providing the members undergo training and follow good practices related to board development and operations, decision-making, governance, and independence.” (CFR 3.9) (Commission Action Letter, February 20, 2020)

The team reviewed minutes of board meetings, reviewed the new bylaws, and examined the provided documents used in board training. The team also met with most of the current board members (the board chair had a family emergency on the day of the visit) separately from the president. The team’s review, while not comprehensive, showed clear progress to address WSCUC concerns.

The board now consists of seven members, including the president. Two new members have been added since the Show Cause order went into effect with backgrounds in nonprofit governance and higher education experience. Both new board members had previously served as consultants to the president, and one of them continues as an ITU part-time faculty member. New bylaws were adopted in April of 2021, in advance of the WSCUC team visit, at the same time that four new committees were announced (Finance and Governance, Financial Audit, Nominating, and Academic Affairs). The board has hired a consultant to help with board training in the areas of sexual harassment and board accountability under Sarbanes-Oxley requirements. Steps are also underway to prepare for a board review of the president's performance, something that has not occurred since he was re-hired in 2019.

Minutes of board meetings over the last year show much of the board's time has been spent on the key areas of finance and institutional sustainability, including the negotiations over the SEVP program, with particular attention to issues presenting potential liabilities for board members and for ITU. There was repeated reference to the still unexplained loss of revenue that occurred during the 2017-2019 period when the president was out of office; complaints about the lingering damage from that period, and about WSCUC were a frequent theme throughout the report. The board endorsed what has been termed a strategic plan, received reports on cash flow at each meeting, and oversaw the independent audit which was conducted in a timely fashion. The board met frequently, on at least one occasion to provide a post-hoc approval of action already taken by the president (*CEO Update to the Board, June 15, 2020, Board resolutions*). Board member involvement with institutional oversight is not confined to the regular board meetings, as many board members interact on an informal staff level with the president and other senior leaders. As one example, the chair of the new Academic Affairs Committee attends weekly meetings with academic affairs staff. The new board committees are just forming and had yet to meet at the time of the Special Visit. With four committees and just seven board members, there is much to be done by a small handful of people. Records of board actions seem somewhat ad hoc, for instance, at the April 29, 2021 meeting, the board took unanimous action to approve minutes for the board meetings held on June 18, 2020, June 25, 2020, July 2,

2020, October 26, 2020, and March 25, 2021. However, board involvement and oversight has clearly become more diligent in the past year to maintain a record of decision making on presidential actions that in the past did not go to the board, such as on terms for a personal loan by the president.

The team concludes that ITU has responded adequately to the Show Cause requirements in the area of the board. This is still very much a work in process, however, and the changes that have been made while healthy, may not be sufficient to achieve effective and appropriate oversight.. ITU has been in a very difficult position for the last few years, in part because of national and international developments (the global pandemic and the deteriorating political situation with China as prime examples) that have similarly challenged all of postsecondary education. The board needs to shift attention away from fire-fighting and rehashing the crises of the past to a forward look and to long-term stability. As part of that, the board should pay special attention to board-presidential relations to ensure appropriate lines of communication and accountability between the board and the president (CFRs 3.6, 3.9, and 4.6). The distinctions between the board responsibility for oversight versus staff responsibility for daily operating decisions need to be clear to everyone. The board needs to maintain its independence from the President both to properly evaluate his performance and to carry out its fiduciary responsibility for fiscal oversight. The committee responsibilities need to be clearly developed to ensure that essential board functions are carried out. An annual planning calendar for board agendas should be developed to help sequence board attention to key decision areas while protecting time for discussion about longer term issues. Board membership needs to be increased further to ensure that there is a working majority of public members to carry out the committee work. Continued attention to board training, particularly for on-boarding of new members, will help to guard against a potential dynamic of excessive influence by one or two members of the board which undermines shared responsibility for decision making.

Recommendation:

The team recommends that International Technological University 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).

B. Issue: Finances

When a WSCUC evaluation team last visited in the fall of 2019, the school's enrollment had dipped below 500—from over 900 students just three years before. The correlated impact on finances can be explained in simple math: revenue plunged far faster than expense reductions. Instead of surpluses, ITU faced annual operating deficits exceeding \$4 million in FY2018 and \$8 million in FY2019. Net assets dropped, and the school's cash flow entered a tenuous state. Auditors raised concerns about financial solvency, as did the WSCUC Commission. ITU's enrollment trends and finances were central to the WSCUC case for Show Cause.

Among the team's recommendations was to bolster its financial standing through shifting its enrollment strategy toward reestablishing growth and increased revenue and reserves (CFRs 3.4, and 4.6). Strengthening its competency for financial management was another emphasis, including hiring a qualified full-time Chief Financial Officer (CFR 3.8).

A Renewed Look at Enrollment

Much has happened since the WSCUC evaluation team filed its last report in January 2020. The COVID-19 pandemic disrupted the globe with no sector unaffected, including higher education. What was once a successful strategy of enrolling international students for ITU was further impacted by a complete shutdown in international travel. The school's efforts to shift recruitment strategies to domestic markets would need to be expedited.

In 2019 the WSCUC evaluation team stressed the importance of strategic and enrollment planning to turn declines into increases. The latest numbers show that ITU still faces significant challenges. Table 1 documents enrollment numbers by term as provided by the ITU staff.

Table 1. ITU Reported Enrollments

| Semester | New Registered Students | Total Registered Students |
|--|--------------------------------|----------------------------------|
| Fall 2019 | 112 | 450 |
| Spring 2020 | 97 | 377 |
| Summer 2020 | 39 | 350 |
| Fall 2020 | 43*, 81** | 291 |
| Spring 2021 | 49* | 218*** |
| * Reported by the admission lead during the site visit interview | | |
| ** Reported by the ALO after the interview | | |
| *** Reported by the ITU team during the enrollment interview | | |

A surface analysis of the numbers shows continued declines in student headcounts. Meanwhile, the team observed challenges by the ITU staff to readily report consistent enrollment numbers. To illustrate, during the interview, the admissions lead reported that 43 new students registered in the fall of 2020, followed by 49 in the spring of 2021, and 41 registered for the summer of 2021. An emailed report followed with 81 new students registered for the fall of 2021. Regardless, ITU would be best served to have a consistent process for reporting and analyzing enrollment numbers, including what is often called the “admission funnel” inquiries, reviewable applications, accepts, deposits, and finally new students counted at census (CFR 3.7).

Looking to the future, ITU provided the team with enrollment projections through the summer of 2023. The model assumed 20 percent increases in headcount per term, from 242 expected enrollments in the fall of 2021 to 461 in the summer of 2023. The team pressed administration—including the president, the CFO, and the enrollment team—on how this would be accomplished. Looking first at the FY2022 budget, the CFO reported that more than 30 new enrollments would be achieved through international recruiting activities, including efforts in India. Meanwhile, the

president in his interview stressed that growth through F-1 visas is no longer central to the ITU strategy. Instead, the school would focus on local recruitment and program expansion. The president went on to mention that investments were made in marketing, including YouTube and other digital channels. Staff members also emphasized marketing as a key to ITU's recruiting strategy. Indeed, the provided draft of the FY2022 budget includes more than a quarter of a million-dollar investment in marketing, up from \$74,000 in FY2021.

The team reviewed the latest enrollment returns against the provided strategic plan and insights cultivated from interviews. A consensus emerged that ITU would benefit from a more sophisticated approach to enrollment planning. Among the questions that surfaced: Is ITU able to track marketing spending against new inquiries and applications? Does it have a training and management system in place to measure and improve conversion rates across what is often called the admission "pipeline" or "funnel" (i.e., inquiries, counselor consultations, applications, accepts, deposits, and enrollments). Will international recruiting once again be a viable option for growth? Can ITU depend on its enrollment targets for the next fiscal year and beyond to support operations and the promise of a high-quality education for current students?

The team defines progress for ITU as the day when it can set achievable enrollment targets, articulate how they will be met, and then consistently realize or exceed those targets for more than one budget cycle. ITU must be able to realize growth that can be maintained in the short and long-term.

A Renewed Look at Finances

As mentioned in the previous section, enrollment and finances have a direct relationship: improve student headcounts and financial health will follow. The January 2020 site visit report showed an institution still reeling from the financial impact of ITU enrollments dropping in half—in addition to the school’s obligation to settle with SEVP. Meanwhile, ITU had no capital assets to offset future losses. As a sign of progress, ITU made significant expense reductions to right-size its operations against the new reality of declining revenue. The school’s cash run rate also received an infusion thanks to an emergency \$110,000 loan and a \$2 million line of credit (reportedly provided by the current president).

The 2020 WSCUC team’s analysis was that ITU should bolster its efforts around financial planning and analysis, including hiring a full-time CFO to manage the budget, cash flow, and annual audits. Also recommended by this team was continued work to contain expenses and move the school beyond needing personal loans and lines of credit as a safety net (CFRs 3.4, and 3.8).

Now more than a year removed from the 2020 team’s report, ITU has shown some financial improvement, although with more work to do. The institution’s self-study showcased new developments, including the naming of a full-time CFO, securing a Paycheck Protection Program (PPP) loan, made possible through the COVID-19 CARES Act legislation, and successfully improving the bottom line through securing campus space with lower fixed costs. While not yet audited, the team was provided with FY2020 financials that showed an operating surplus of \$474,125—a significant improvement over the \$8.1 million operating deficit for FY2019.

Looking to FY2021, the budget provided to the team (one approved by the ITU Board in the summer of 2020) includes a one-time \$1.85 million boost in revenue thanks to a federal PPP loan, which ITU administration does not expect to pay back. The infusion came at an opportune time. Beyond aiding ITU to weather the COVID-19 pandemic, the resources helped the school settle its

obligation to SEVP—an FY2021 budget report provided by the CFO shows \$1.4 million in expenses tagged to SEVP. Although the same report shows an expected \$154,429 operating deficit for FY2021. Table 2 offers a snapshot of the institution’s finances over the past five years based on information provided by ITU.

Table 2. Snapshot of ITU Financial Returns, FY18–21

| Fiscal Year | P/L |
|---|---|
| 2017–2018* | Net Revenue: \$11.9M Expenses: \$16.1M Operating deficit: (\$4.2M) |
| 2018–2019* | Net Revenue: \$8.4M Expenses: \$16.7M Operating deficit: (\$8.1M) |
| 2019–2020** | Net Revenue: \$7.4M Expenses: \$7M Operating surplus: \$474K |
| 2020–2021*** | Net Revenue: \$8.5M Expenses: \$8.6M Operating deficit: (\$154,429) |
| * Audited ** Unaudited *** Budgeted | |

Finally, ITU provided a preliminary FY2022 budget. The CFO reported that budget planning begins in February with inputs from the ITU team. Next it goes to the president for input and to the board for review in June. The current version projects net revenue to be \$6.5 million (including a \$200,000 individual/business contribution) against \$6.4M in expenses for an operating surplus of \$73,000. Among the budget assumptions: no additional PPP loans and enrolling 81 new students for the fall of 2021, including, according to the CFO, successfully recruiting more than 30 international students.

As mentioned, the team advises that ITU improve its ability to set and realize enrollment targets. It offers the same recommendation for finances. During its interview with the CFO, the team

pressed for a projection on how the school would finish FY2021—given that 10 months of actual revenue and expenses are on the books. ITU was not able to provide this report; instead, an analysis of cash flow was offered—including current cash and outstanding expenses. The CFO projected that a surplus would be realized based on this review, although no dollar figure was provided.

In summary, ITU has made some progress against the recommendations from the previous site visit. A full-time CFO is in place and the school appears to have stemmed the tide of recent operating deficits. An operating surplus appears to have been realized with another expected for FY2021, should the CFO's projection hold.

As emphasized above, the institution's budgets continue to depend on successful enrollment growth. The \$6.5M in projected revenue for FY2022 counts on significant year-over-year improvements in recruiting new students. Miss that mark and ITU's financial challenges are likely to persist. Meanwhile, the institution would benefit from more sophisticated approaches to financial planning and analysis, including the ability to deliver real-time budget reporting and forecasting based on actual returns for each month. Another suggestion is to create a "reforecast" edition of the budget after each enrollment and registration cycle to reset revenue to actual returns. ITU may already be taking these actions, although the team did not see evidence of them in place. An ideal state for ITU, one that aligns with WSCUC guidelines, is to realize three consecutive years of operating surpluses and growth in net assets (CFR 3.4).

Recommendations:

The team recommends that ITU:

- 1. when recording revenues and expenditures, 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); and**
- 2. 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) recruitment and marketing strategies for enrolling qualified international, regional, and local students; and c) a training and development plan for the admissions staff. The 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).**

C. Issue: SEVP (Student Exchange Visitor Program)

ITU provided a Case Settlement Response Plan, dated April 7, 2021, that is generally responsive to the relevant categories in the Show Cause Report, dated March 4, 2021. It outlines the intention of ITU to achieve compliance but lacks the relevant operational details the team would have preferred.

The SEVP Plan appears to be aspirational in proposing actions that ITU will be taking -- but offers little documentation that it has done so. Thus the team was not able to verify the degree of compliance that may take place in the future, other than ITU's representations and the team's expectation that it will operate in good faith. This concern is applicable to several Settlement details, including, but not limited, to #5, #7 and #10.

The team would have preferred greater clarity as to the probable impact on enrollment plans and projections and evidence of contingency planning for unexpected outcomes. There is a lack of detail as to how academic integrity will be assessed and monitored. The team would have also preferred to understand ITU's plans to recruit future international students which was not adequately clarified in the report or in follow-up meetings.

The team did learn that the president will be visiting various Middle East universities to support the recruiting effort, but specifics were not provided. This does not offer assurance regarding the potential to be derived from the international recruiting efforts. The concern is that the initiative may cost more than it returns to ITU -- and so it would be precarious to rely on anticipated tuition revenue.

Other universities have found this type of international recruiting to be challenging, independent of the pandemic environment. It is concerning that ITU may be relying on organizations that filter students for the admissions funnel. These organizations have disappointed other similarly situated universities with respect to the qualifications of international students that were attracted and their ability to pay tuition fees and related expenses.

The team questioned but did not gain an understanding of the mechanisms ITU will use to comply with all SEVP requirements to maintain academic integrity and insure against student plagiarism. Basic issues about whether classes were being held with faculty and students attending were not adequately addressed. The team was only given the president's assurance that academic integrity issues will be properly addressed through the new Enrollment Management System (EMS). The proposed use of facial recognition software to document class attendance is innovative but untested for this purpose and details were not provided.

ITU did not appear to have fully understood or planned for the range of implications of the SEVP outcomes. The various potential outcomes were not evaluated with respect to their implications for students and the institution. There was little evidence provided for adequate contingency planning. There seems to be a lack of strategic planning for the foreseeable outcomes that might result with respect to the final SEVP settlement.

The team is concerned that there is no clear knowledge of procedures that are in place – or need to be put in place – to avoid a recurrence of the problem or provide confidence to overcome future admissions shortfalls. The new doctoral program in business administration (DBA), for example, would apparently not be adversely affected by SEVP but currently only has two students. ITU should be extremely cautious in relying on untested programs for a substantive portion of the solution.

Recommendation:

The team recommends that ITU address and complete all SEVP (Student and Exchange Visitor Program) settlement requirements (CFRs 1.6, 1.7, and 3.7).

D. Issue: Strategic Plan

In its strategic plan, ITU presented a one-year operational plan which consisted of priorities and efforts from over 30 offices and departments. Although entries referenced institutional goals, ITU was not able to provide a location or document that listed and described them. Thus, it was not clear to the team what were the institutional priorities or goals, and how the exceedingly large number of efforts listed in the operational plan contributed to these goals or priorities. The team found the presented operational plan was developed through a bottom-up approach in which departments and offices submitted their information, to include sometimes weekly schedules. It was not clear to the team how the institution is able to synchronize and integrate all these efforts to maximize effect and achievement of desired institutional priorities.

Most offices and departments presented a number of “key performance indicators.” A majority of these indicators were tactical or procedural as opposed to key indicators for the institution. Since

ITU did not provide any evidence of these indicators, the team was not able to validate a supporting assessment process.

The team is concerned with the sustainability of developing, maintaining, and assessing the significant number of efforts and indicators that were presented in the operational plan for the given year, AY2020-2021. The team does not believe that tracking at the institution level of this large number of efforts and indicators is feasible. The evidence that was submitted for strategic planning such as exit interviews and department evaluation analytics, was not helpful in determining the effectiveness of the assessment of any institutional goals.

During interviews, ITU staff and faculty emphasized the frequent and collaborative meetings held, sometimes weekly, and that these meetings were effective in coordinating details of the operational plan. The team was not able to validate how these structures and meeting schedules contributed to the effectiveness in operational planning.

ITU would be better served if leaders explicitly connect as well as define institutional goals or priorities to mission, vision, and values, and then identify specific assessments for each institutional goal.

ITU's report described that the board was involved in strategic planning. Board minutes mentioned on three separate occasions that it offered input on the "strategic plan." As indicated in the minutes, these discussions focused on various "projects, finance documents and a proposed budget, versus strategic goals or priorities.

Recommendation:

The team recommends that ITU 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).

E. Issue: Human Resources

The team noted that progress has been made with respect to hiring an external HR consultant through HR Pros – at least as a short-term measure to fill the gap.

The team was not given enough information to assess the qualifications of the consultant, who is the owner of HR Pros. The consultant's credentials were not disclosed by ITU or listed on ITU's website.

The Employee Handbook that was requested and received, and appears to meet generally accepted human resource management policy and practice standards.

The team deemed that the human resources concerns were adequately addressed.

F. Issue: Teach Out

In meetings with the president, as well as with the accreditation liaison officer, the team learned that efforts to identify willing and suitable partner institutions for teach out agreements have not met with success to date. The team learned that ITU was in the process of transitioning from paper to online in the monitoring of degree audits. This will enable ITU to more accurately determine the number of students anticipated to work with other degree programs at other institutions.

Out of numerous ITU inquiries, only one institution, Brandman University, had responded positively with interest, and that was specific only to the business administration program. However, any plans to move forward have been stalled due to a merger that was underway

concerning Brandman. The team suggested that ITU redouble its efforts, and make a more concerted effort to identify appropriate individuals at prospective partner institutions for teach out inquiries.

Recommendation:

The team recommends that ITU 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) (CFRs 1.6 and 3.4).

SECTION III: CONCLUSION/REFLECTION

It was clear to the team that the International Technological University conducted an informative and productive internal review. The team recognizes and affirms the hard work that was put into the report and in responding to requests for additional documents. As a result of this review, the team has come to understand the progress in the areas identified in the February 26, 2020 Commission action letter. In general, the issues with SEVP have been resolved with much ITU work needed now to follow through on its proposed plan. An HR professional has been brought on to guide personnel policy and to get an employee manual in place. Documentation of revenues, expenses and loans have improved. The website is creative, engaging and informative. Market opportunities in innovative new areas such as cybersecurity are being explored. The board has expanded its skill set through the addition of new members. Board training has been conducted, new board by laws are in place, and committees are being established. More than 30 departmental and unit operational plans with key performance indicators have been developed, and staff meet regularly to discuss progress.

The team recognizes the extraordinary circumstances facing ITU, some of which could not have been anticipated at the time of the initial Show Cause finding. Like many other institutions of higher learning, external challenges from COVID-19 such as the restriction imposed by the U.S. government on international students and their study in the U.S. had a significant effect on ITU's enrollment and its potential to attract new F-1 students from outside the U.S. Additionally, ITU's Show Cause status undoubtedly affected its potential to attract new students.

Despite these challenges, ITU has dedicated significant energy to rebuilding its financial strength and self-sustainability. Since ITU's change in presidency in 2019, it has significantly restructured and improved most, if not all, of its functions. ITU has remained committed to its mission to provide industry relevant training to graduate students. Market realities will require ITU to shift to serve new student populations while also continuously adapting its curriculum.

The team thanks ITU for collaborating on this virtual visit, for its dedication to improving the International Technological University and its commitment to the success of its students.

SECTION IV. FINDINGS, COMMENDATIONS AND RECOMMENDATIONS

Commendations and Recommendations

Commendations

The team commends International Technological University for:

1. its engaged faculty and staff who are committed to ITU's mission and education and welfare of the students;

2. its continued emphasis on an industry and practitioner focused education model and its continuous adaptation in meeting changes in the Silicon Valley industry environment; and
3. the inclusion of the entire community, including students, in the self study.

Recommendations

The team recommends that International Technological University:

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. when recording revenues and expenditures, 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) recruitment and marketing strategies for enrolling qualified international, regional, and local students; and
 - c) a training and development plan for the admissions staff.The 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) (CFRs 1.6 and 3.4); and
6. address and complete all SEVP (Student and Exchange Visitor Program) settlement requirements (CFRs 1.6, 1.7, and 3.7).

