

June 15, 2022

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

Dear President Chan:

This letter serves as formal notification of the decision made by the WASC Senior College and University Commission (WSCUC or the Commission) at its meeting May 25, 2022, to reaffirm the Commission's March 2022 action to withdraw the accreditation of International Technological University (ITU). The March 2022 action had been stayed by the Commission to permit ITU an additional and final opportunity to submit evidence that it was in compliance with the Standards or to request a good cause extension of accreditation. The institution's April 8, 2022 response and addendum (received on April 10, 2022) were reviewed by the Commission's Executive Committee on May 25, 2022. The Executive Committee, authorized under the WSCUC bylaws to exercise the authority of the Commission, found that the institution did not demonstrate compliance with the Standards, and that there was not a sufficient basis to justify an extension of accreditation.

Actions

1. Receive the April 8, 2022 response to the March 9, 2022 Commission action letter and the April 10, 2022 Addendum to the response.
2. Deny the institution's request for a good cause extension of accreditation.
3. Lift the stay on the Commission's March 9, 2022 action and Withdraw Accreditation effective June 17, 2022.

Procedural History

In a letter dated October 18, 2019, the Commission informed ITU that it had found the institution out of compliance with Standards 1 and 3 and issued an Order to Show Cause as to why accreditation should not be withdrawn. The institution was required to host a Special Visit which occurred in January 2020.¹ At its meeting in February 2020, the Commission continued the Order to Show Cause after its review of the Special Visit Report revealed continuing compliance deficiencies. In a letter dated February 26, 2020, ITU was informed that the University would have up to two years from October 18, 2019 (when the show cause order was initiated) to remedy outstanding deficiencies.² ITU was directed to submit a Progress Report and to host a second Special Visit in the spring of 2021.

At the June 25, 2021 meeting, the Commission reviewed the Progress Report submitted by ITU and received the Report of the May 12-14, 2021 Special Visit and ITU's response to that Report. In a July

¹ See October 18, 2019 letter from WSCUC President Jamiene Studley to President Chan.

² In response to a Show Cause Order, the institution has the burden of proving why its accreditation should not be terminated. The institution must demonstrate that it has responded satisfactorily to Commission concerns, has come into compliance with all Commission Standards, and will likely be able to sustain compliance. (Handbook, p. 53)

12, 2021 letter,³ the Commission informed ITU of its findings. The Commission continued the Order to Show Cause and directed ITU to submit an Interim Report with evidence of financial sustainability, integrity in governance, a board approved strategic plan and assessment plan, evidence of its achievement of enrollment targets, an update on enrollment trends and projections at the University and program levels, and a completed Teach Out Plan for all programs to include agreements with other universities. The Commission found that multiple deficiencies identified for the institution's attention had persisted since the Order to Show Cause was initiated in 2019. ITU was reminded that the two-year remediation period under WSCUC policies would end on October 18, 2021 and that if the institution did not satisfy WSCUC Standards by that time, the Commission could take adverse action unless ITU demonstrated that a good cause extension of its accreditation was warranted.

In WSCUC's July 12, 2021 letter, ITU was required to respond to six specific issues and provide evidence of compliance with WSCUC Standards as follows:

- (1) demonstrate strengthened strategic oversight and accountability capacity of the governing board
- (2) establish strategic priorities linked to unit plans systematically assessed using multiple indicators
- (3) record 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
- (4) develop and implement an achievable long-range enrollment management plan to realize new student growth and improve continuing student retention
- (5) submit a teach-out plan that includes details concerning partnering institutions so that affected students may complete their education, and budgets for anticipated costs (reserves)
- (6) address and complete all Student and Exchange Visitor Program (SEVP) settlement requirements.

The letter was specific regarding the actions ITU was expected to take in each of these six areas.

ITU's October 18, 2021 Interim Report was received by the WSCUC Executive Committee and, together with the Interim Report Action Summary, was referred to the Commission for consideration at its February 25, 2022 meeting. The institution's representatives appeared before a Panel of the Commission on February 24, 2022, to answer the Panel's questions concerning the Interim Report. Based on the record of reviews, reports, and actions relating to the Order to Show Cause over a two-year period, including reports of Special Visits to ITU in January 2020 and May 2021, and presentations by ITU before multiple Commission review teams and panels, the Commission determined that the institution was not in compliance with Standards 1, 3 and 4 and their associated criteria for review (CFR), and acted to withdraw ITU's accreditation. The action and specific findings were communicated to ITU in the Commission's action letter dated March 9, 2022.

The Commission stayed the March 9, 2022 action in order to give ITU a final opportunity to

³ See July 12, 2021 letter from WSCUC President Jamiene Studley to President Chan, incorporated herein by reference.

demonstrate either that it was in compliance with the referenced Standards, or that a good cause extension of accreditation was warranted under the Commission's policies. ITU provided a response to the March 9, 2022 letter on April 8, 2022. Additional information and exhibits were submitted on April 10, 2022 in an Addendum to the response. The Executive Committee reviewed the information and determined that ITU had not responded satisfactorily to the Commission's requirements and did not demonstrate compliance with WSCUC Standards and criteria for review. Accordingly, the Executive Committee lifted the stay of the March 9, 2022 Commission action and Withdrew the Accreditation of the institution effective June 17, 2022. The specific findings of the Executive Committee are set forth below.

Findings

CFR 3.4 The institution is financially stable and has unqualified independent financial audits and resources sufficient to ensure long-term viability. Resource planning and development include realistic budgeting, enrollment management, and diversification of revenue sources. Resource planning is integrated with all other institutional planning. Resources are aligned with educational purposes and objectives.

In the letter of March 9, 2022, the Commission informed ITU that it found that the University had not demonstrated that it is financially stable or that it has sufficient resources to assure its long-term viability. The Commission found ITU's enrollment management plans and enrollment estimates were not realistic, and that the institution had failed to provide sufficient evidence of integrated planning between resource allocation and educational objectives. The Commission concluded therefore that ITU had not met its burden of demonstrating compliance with CFR 3.4. The Executive Committee found no additional evidence of compliance with CFR 3.4 in ITU's April 2022 submissions and concluded accordingly that ITU has not met its burden of proving why its accreditation should not be terminated.

CFR 3.8 The institution has a full-time chief executive officer and a chief financial officer whose primary or full-time responsibilities are to the institution. In addition, the institution has a sufficient number of other qualified administrators to provide effective educational leadership and management.

As communicated in the March 9, 2022 letter to ITU, the Commission found that the institution had not demonstrated compliance with CFR 3.8, noting that the institution has undergone frequent and significant changes leading to gaps in leadership which continued during the more than two years ITU was operating under the Order to Show Cause. As an example, the Provost position was part of the reduction in workforce at the beginning of the Order to Show Cause and was not refilled. The lack of senior academic leadership at ITU has persisted over the past two years.

In addition, the Commission found ITU did not produce sufficient evidence to demonstrate appropriate separation of responsibilities between the executive and financial (including enrollment management) functions. Financial information critical to an effectively managed enterprise has been absent. While progress was made in lowering overall expenses, these cost reductions were generated by eliminating staff positions and reducing key leadership capacity. The Commission determined that ITU continued to lack the scale of qualified leadership necessary to provide effective management and direction and concluded, therefore, that ITU had not met its burden of demonstrating compliance with CFR 3.8. The Executive Committee found no additional evidence of compliance with CFR 3.8 in ITU's April 2022 submissions that would support a different conclusion and determined accordingly that ITU has not met its burden of proving why its accreditation should not be terminated.

CFR 4.6 The institution periodically engages its multiple constituencies, including the governing board, faculty, staff, and others, in institutional reflection and planning processes that are based on the examination of data and evidence. These processes assess the institution’s strategic position, articulate priorities, examine the alignment of its purposes, core functions, and resources, and define the future direction of the institution.

The March 9, 2022 letter to ITU indicated that the Commission had determined the institution had not demonstrated compliance with CFR 4.6. Specifically, the Commission found that ITU has not provided evidence that it has integrated planning processes based on the examination of evidence that would lead to the formation of a realistic strategic position, or that the institution consults among its constituencies to attempt to formulate that strategic position. The Commission acknowledged that progress was made in the production of a strategic plan and some key objectives; however, the Commission’s requirement under this CFR that the plan would be subject to scheduled assessment and modifications based on analysis was not fulfilled. ITU presented evidence that the Board of Trustees received some professional development, but it was neither regular nor of the depth expected for a higher education institution’s governing body. The Commission concluded on this basis that ITU had not demonstrated compliance with CFR 4.6. The Executive Committees found no additional evidence of compliance with CFR 4.6 in ITU’s April 2022 submissions that would support a different conclusion and determined accordingly that ITU has not met its burden of proving why its accreditation should not be terminated.

CFR 1.6 The institution truthfully represents its academic goals, programs, services, and costs to students and to the larger public. The institution demonstrates that its academic programs can be completed in a timely fashion. The institution treats students fairly and equitably through established policies and procedures addressing student conduct, grievances, human subjects in research, disability, and financial matters, including refunds and financial aid.

In the March 9, 2022 letter, the Commission informed ITU of its determination that it had not demonstrated compliance with CFR 1.6 which requires each institution to truthfully represent its academic goals, program services, and costs to students and to treat them fairly and equitably through established policies and procedures addressing, among other issues, financial matters, including refunds and financial aid. The Commission found that because the institution has failed on multiple occasions to comply with the Commission’s directives under the Show Cause Order to provide Teach-Out Plans and Agreements that met the requirements of the WSCUC *Teach-Out Plans and Agreements Policy* and *Teach-Out Plans and Agreements Guide*, the institution had failed to comply with this CFR. Specifically, documents submitted to the Commission by ITU were determined not to be plans but rather acknowledgments that students have the right to transfer academic credits to other institutions. Those documents did not incorporate essential elements of teach-out as specified in the *Policy* and *Guide* publications. Accordingly, the Commission concluded that ITU did not demonstrate compliance with CFR 1.6 by providing Teach-Out Plans and Agreements that fully complied with the *Policy* and *Guide* as it had been directed. The Executive Committee found the information provided in the institution’s April 2022 submissions did not support a different conclusion and determined accordingly that ITU has not met its burden of proving why its accreditation should not be terminated.

Request for Good Cause Extension

The Commission’s Executive Committee has also denied the institution’s request for a good cause extension of its accreditation. As a matter of policy, the Commission has determined that it will grant an extension for good cause only under exceptional circumstances and only when the following criteria are met:

The institution must have demonstrated significant accomplishments in addressing the areas of noncompliance during the period under sanction, AND

The institution must have demonstrated at least partial compliance with the Standard(s) cited, and, for any remaining deficiencies, demonstrate an understanding of those deficiencies, and readiness, institutional capacity, and a plan to remedy those deficiencies within a period of extension granted by the Commission.

In determining whether these criteria have been met, Commission policy provides in all such cases that the Commission will also consider whether:

- The quality of education provided by the institution is judged to be in compliance with the Standards at the time of the extension, AND
- The Commission has evidence of any new or continuing violations of Standard 1 regarding institutional integrity, AND
- The Commission has evidence of other reasons or current circumstances why the institution should not be continued for good cause. (WSCUC *Accreditation Handbook* revised, Part IV, Forms of Possible Commission Actions, Sanctions, p 52).

In this instance, the Executive Committee determined that ITU has not provided evidence that the criteria to justify a good cause extension of accreditation have been met. The Executive Committee found that the institution has not demonstrated compliance with Standards originally cited in the Show Cause Order. The Commission's findings, particularly with respect to CFR 3.4, are underscored by the institution's own description of its current circumstances: "...with declining enrollment, a current negative cashflow from operations and no significant assets with independent market value."⁴ While partial compliance may have been achieved in other areas as noted, ITU has not put forward evidence that the institution has the capacity to resolve remaining deficiencies or that it has developed coherent, realistic plans to do so.

Effective Date

This action is effective as of June 17, 2022.

Appeals Policy

The action to withdraw accreditation is subject to the WSCUC appeals process. The full Appeals Policy and the process by which an appeal is conducted are available on the WSCUC website: <https://wascsenior.box.com/shared/static/s0hd52qghi6gjyn2rs48.pdf>.

The Appeals Policy states in part: "If an institution seeks to appeal an appealable adverse action by WSCUC, its chief executive officer must provide the President with a written letter of intent within fourteen (14) calendar days of the date of the institution's receipt of WSCUC's adverse official action letter which, in the discretion of the President, conforms to the requirements of this paragraph. The letter of intent must contain a short and plain statement alleging the failure of procedure or the elements of the appealable adverse action serving as the grounds for the appeal in accordance with the requirements of this policy and sufficient for the President to determine that the allegations are more than mere speculation."

⁴ See April 29, 2022 letter to WSCUC from President Chan and ITU's Board Chair John DuBois.

Continuing Obligations of Accreditation Pending Appeal

Should ITU elect to appeal this Commission action, the institution will retain its accreditation status as “accredited under a Show Cause Order” while the appeal is pending. Accordingly, the institution is expected to comply with the Commission’s Standards, Core Commitments, all Commission reporting requirements and directives, with careful attention to directives intended to safeguard the interests of students. Such directives include the development of a Teach-Out Plan and Teach-Out Agreements that comply fully with relevant WSCUC policies and guidelines (described below), including financial set-asides to adequately fund the plan. The institution must also comply with requirements for disclosing this action to students, prospective students, and the public within specified timeframes. Any failure to comply with any of these requirements could become a separate basis for withdrawal of the institution’s accreditation.

Teach Out Plans and Agreements

In order to safeguard the interests of students, ITU is required to submit a teach-out plan to the Commission for prior approval. See WSCUC's *Teach-Out Plans and Agreements Policy* <https://wascsenior.app.box.com/s/mq946sr71zn39a1kfred>

The teach-out plan must include the required elements set forth in the Policy and the *Teach-Out Plans and Agreements Guide (Guide)*. <https://wascsenior.app.box.com/s/zwsj5xv9skkk8usy51n614t6v0e6xd9y>.

The institution is expected to establish a plan for every student and to meet a schedule established with WSCUC Vice President Liaison, Dr. Mark Goor, for review and approval of the plan, including agreements. Significant attention should be given to Section 7 of the *Guide* regarding Governing Board Financial and Legal Obligations, including specifically how the institution expects to be able to satisfy its obligations to students. Also, the plan should provide a narrative description of provisions the institution has made for the long-term preservation and availability to students of academic and financial records and for their prompt transfer to receiving institutions with whom teach-out or transfer agreements have been made. The Commission reiterates that neither the Teach-Out Plan nor Agreements submitted by the institution in its April 2022 submissions comply with either the WSCUC *Teach Out Plans and Agreements Policy* or *Guide*.⁵

WSCUC expects ITU’s teach-out plan to ensure that sufficient funds to execute the plan are reliably reserved (e.g., through escrow or another sufficiently reliable means). In addition, if ITU were to close, it would be required to comply with federal and state requirements as well as WSCUC policies concerning school closures and teach-out arrangements.

Notifications and Disclosures

In accordance with Commission policy, a copy of this letter is being sent to the chair of ITU’s governing board, the Chief of the California Bureau of Private Postsecondary Education (BPPE) and the Area Case Director of the United States Department of Education (ED) San Francisco School Participation Team.

The *WSCUC Public Disclosure of Accreditation Documents and Commission Actions Policy* requires that in the case of withdrawal of accreditation, a public statement will be prepared in consultation with

⁵ The Commission understands that ITU does not participate in federal Title IV student aid programs.

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 institution is required, within seven (7) days of notification by the Commission, to post the pre-approved public statement acknowledging the Commission's decision, along with a copy of the Commission letter, in a readily accessible location on the institution's website. Any reference to WSCUC accreditation on the institution's website must accurately and equally visibly describe the institution's status as "accreditation withdrawn, subject to appeal." If the institution elects to appeal, such a statement must be accompanied by the words "Accreditation continues under a Show Cause Order while the Commission's action to withdraw accreditation is on appeal."

The institution is also required to distribute the Commission letter widely throughout the institution, including to current and prospective students within seven (7) days. Proof that the public statement and Commission letter have been posted and disclosed to prospective and current students must be provided to WSCUC within 24 hours of posting and disclosure.

Attached is a copy of a *Draft Public Statement* which ITU may use as it stands. If the institution wishes to propose revisions to the draft, the proposed changes must be forwarded by email to Dr. Mark Goor within 24 hours of receipt of this letter.

Please contact me if you have any questions about this letter and action.

Sincerely,



Jamiene S. Studley
President

Attachment: *Draft Public Statement*

Cc: Tracy Poon Tambascia, Commission Vice Chair
Philip Ng, ITU Accreditation Liaison Officer
John DuBois, ITU Board Chair
Mark B. Goor, Vice President Liaison
Martina Fernandez-Rosario, Area Case Director, San Francisco School Participation Team
Deborah Cochrane, Chief, California Bureau for Private Postsecondary Education (BPPE)

Attachment
Draft Public Statement

WASC Senior College and University Commission
Statement on the Accreditation Status of International Technological University

The WASC Senior College and University Commission (WSCUC) voted to withdraw accreditation from International Technological University (ITU) effective June 17, 2022, subject to the institution's right to appeal the action. The institution has until June 28, 2022 to notice an appeal of the decision. Accreditation continues under a Show Cause Order until there is a final decision by the Commission relative to the appeal.

At the direction of WSCUC, ITU will focus on implementing effective teach-out plans as a priority to help ensure students are effectively served through this transition, providing students with guidance, preservation of their records, and expeditious and clear paths toward academic program completion.

WSCUC is recognized by the U.S. Department of Education as a reliable authority as to the quality of education. The Commission accredits 214 degree-granting institutions in the United States and other countries. <https://www.wscuc.org>.