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BEFORE THE
DEPARTMENT OF CONSUMER AFFAIRS
FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
STATE OF CALIFORNIA

In the Matter of the Statement of Issues Against: **INTERNATIONAL TECHNOLOGICAL UNIVERSITY FOUNDATION** Application for Approval to Operate an Institution Non-Accredited Respondent.	Case No. BPPE26-0440 **STATEMENT OF ISSUES**

PARTIES

1. Elizabeth Elias (Complainant) brings this Statement of Issues solely in her official capacity as the Chief of the Bureau for Private Postsecondary Education (Bureau), Department of Consumer Affairs.

2. On or about March 23, 2023, the Bureau received an Application for Approval to Operate an Institution Non-Accredited (Application) from International Technological University Foundation (Respondent), a California non-profit corporation, to operate a private postsecondary educational institute to be called "International Technological University."

3. Between September 2023 and January 2026, the Bureau and Respondent conferred regarding the Application, including about deficiencies the Bureau identified in the Application

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and Respondent's transmittal of additional application-related documents and information to cure deficiencies in the Application.

4. On or about March 6, 2026, the Bureau denied Respondent's Application via a Notice of Denial of Application for Approval to Operate. On or about May 4, 2026, Respondent submitted to the Bureau a request for administrative hearing and additional documents and information to remedy deficiencies in its Application. On or about June 4, 2026, Respondent submitted to the Bureau further documents and information to remedy deficiencies in its Application.

JURISDICTION

5. This Statement of Issues is brought before the Director of the Department of Consumer Affairs (Director) for the Bureau, under the authority of the following laws. All section references are to the Education Code unless otherwise indicated.

6. Section 94817 states:

"'Approval to operate' or 'approval' means the authorization pursuant to this chapter to offer to the public and to provide postsecondary educational programs, as well as the written document issued to an institution signifying its approval to operate."

7. Section 94817.5 states:

"'Approved to operate' or 'approved' means that an institution has received authorization pursuant to this chapter to offer to the public and to provide postsecondary educational programs."

8. Section 94885, subdivision (a) states, in part:

"(a) The bureau shall adopt by regulation minimum operating standards for an institution that shall reasonably ensure that all of the following occur:

"(1) The content of each educational program can achieve its stated objective.

"(2) The institution maintains specific written standards for student admissions for each educational program and those standards are related to the particular educational program.

"(3) The facilities, instructional equipment, and materials are sufficient to enable students to achieve the educational program's goals.

. . .

"(5) The directors, administrators, and faculty are properly qualified.

"(6) The institution is financially sound and capable of fulfilling its commitments to students.

"(7) That, upon satisfactory completion of an educational program, the institution gives students a document signifying the degree or diploma awarded.

. . . ."

9. Section 94886 states:

"Except as exempted in Article 4 (commencing with Section 94874) or in compliance with the transition provisions in Article 2 (commencing with Section 94802), a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter."

10. Section 94887 states:

"An approval to operate shall be granted only after an applicant has presented sufficient evidence to the bureau, and the bureau has independently verified the information provided by the applicant through site visits or other methods deemed appropriate by the bureau, that the applicant has the capacity to satisfy the minimum operating standards. The bureau shall deny an application for an approval to operate if the application does not satisfy those standards. The bureau may deny an application for an approval to operate institutions that would be owned by, have persons in control of, or employ institution managers that had knowledge of, should have known, or knowingly participated in any conduct that was the cause for revocation or unmitigated discipline at another institution."

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STATUTORY AND REGULATORY PROVISIONS

11. Section 94909, subdivision (a)(5) states:

"(a) Except as provided in subdivision (d), before enrollment, an institution shall provide a prospective student, either in writing or electronically, with a current school catalog containing, at a minimum, all of the following:

. . .

"(5) A description of the programs offered and a description of the instruction provided in each of the courses offered by the institution, the requirements for completion of each program, including required courses, any final tests or examinations, any required internships or externships, and the total number of credit hours, clock hours, or other increments required for completion."

12. Section 94911 states, in part:

"An enrollment agreement shall include, at a minimum, all of the following:

. . .

"(i)(1) The following statement: 'Prior to signing this enrollment agreement, you must be given a catalog or brochure and a School Performance Fact Sheet, which you are encouraged to review prior to signing this agreement. These documents contain important policies and performance data for this institution. This institution is required to have you sign and date the information included in the School Performance Fact Sheet relating to completion rates, placement rates, license examination passage rates, salaries or wages, and the most recent three-year cohort default rate, if applicable, prior to signing this agreement.'

"(2) Immediately following the statement required by paragraph (1), a line for the student to initial, including the following statement: 'I certify that I have received the catalog, School Performance Fact Sheet, and information regarding completion rates, placement rates, license examination passage rates, salary or wage information, and the most recent three-year cohort default rate, if applicable, included in the School Performance Fact Sheet, and have signed, initialed, and dated the information provided in the School Performance Fact Sheet.'

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"(j) The following statements:

"(1) 'Any questions a student may have regarding this enrollment agreement that have not been satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary Education at (address), Sacramento, CA (ZIP Code), (internet website address), (telephone and fax numbers).'

"(2) 'A student or any member of the public may file a complaint about this institution with the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by completing a complaint form, which can be obtained on the bureau's internet website (internet website address).'

"(k) The following statement above the space for the student's signature:

"'I understand that this is a legally binding contract. My signature below certifies that I have read, understood, and agreed to my rights and responsibilities, and that the institution's cancellation and refund policies have been clearly explained to me.'"

13. California Code of Regulations, title 5, section 71210, subdivision (c) states:

"(c) In addition, the institution shall list the following for each educational program offered:

"(1) The admissions requirements, including minimum levels of prior education, preparation, skills, or training;

"(2) If applicable, information regarding any ability-to-benefit examination required by the institution. For the purposes of this section an 'ability-to-benefit examination' means an independently administered examination from the list of examinations prescribed by the United States Department of Education pursuant to Section 484(d) of the federal Higher Education Act of 1965 (20 U.S.C. Sec. 1070a et seq.) as it is, from time to time, amended, that is designed to help identify students who possess the basic skills necessary to succeed in a post-secondary education program, but who lack a high school diploma;

"(3) The types and amount of general education required;

"(4) The title of the educational programs and other components of instruction offered, including a description of the level of the courses (e.g., below college level, undergraduate level, graduate level);

"(5) The method of instruction;

"(6) The graduation requirements; and

"(7) Whether the educational program is designed to fit or prepare students for employment in any occupation. If so, the Form Application 94886 shall identify each occupation and job title to which the institution represents the educational program will lead."

14. California Code of Regulations, title 5, section 71240, subdivision (b) states:

"(b) The institution shall submit current, reviewed financial statements at the time it applies for approval to operate. Each set of financial statements shall comply with Section 74115 of this chapter."

15. California Code of Regulations, title 5, section 71400.5, subdivision (a) states:

"(a) The inclusion of false or misleading information, or the intentional or negligent omission of pertinent information on any application may result in the denial of the application or a delay in processing, and may be grounds for action pursuant to Article 18 of the Act."

16. California Code of Regulations, title 5, section 71710, subdivision (a) states:

"(a) In order to meet its mission and objectives, the educational program defined in Section 94837 of the Code shall be comprised of a curriculum that includes:

"(1) Those subject areas that are necessary for a student to achieve the educational objectives of the educational program in which the student is enrolled;

"(2) Subject areas and courses or modules that are presented in a logically organized manner or sequence to students;

"(3) Course or module materials that are designed or organized by duly qualified faculty. For each course or module, each student shall be provided with a syllabus or course outline that contains:

"(A) A short, descriptive title of the educational program;

"(B) A statement of educational objectives;

"(C) Length of the educational program;

"(D) Sequence and frequency of lessons or class sessions;

"(E) Complete citations of textbooks and other required written materials;

"(F) Sequential and detailed outline of subject matter to be addressed or a list of skills to be learned and how those skills are to be measured;

"(G) Instructional mode or methods.

"(4) If degree granting, require research of an appropriate degree that utilizes a library and other learning resources;

"(5) Specific learning outcomes tied to the sequence of the presentation of the material to measure the students' learning of the material; and

"(6) Evaluation by duly qualified faculty of those learning outcomes."

17. California Code of Regulations, title 5, section 71720, subdivision (a) states, in part:

"(a) An Educational Program Leading to a Degree.

"(1) An institution offering an educational program that leads to a degree shall employ duly qualified faculty sufficient in number to provide the instruction, student advisement, and learning outcomes evaluation necessary for the institution to document its achievement of its stated mission and objectives, and for students to achieve the specific learning objectives of each course offered;

. . .

"(3) In determining the number of faculty sufficient to satisfy subdivision (a)(1) of this section and to implement the policies established pursuant to subdivision (a)(2) of this section, the institution shall base its faculty requirements on all of the following factors:

"(A) The educational level and number of students;

"(B) The number of hours needed for direct interaction between students and faculty per course, quarter, semester, or other term;

"(C) The number of hours needed to be spent on evaluating written materials prepared by students, such as distance education, papers, and examinations, per course, quarter, semester, or other term;

"(D) The number of group meetings per course, quarter, semester, or other term;

"(E) The faculty duties established by the institution as required under subdivision (a)(2) of this section; and

"(F) The number of hours per week or units per term considered full-time for faculty in the institution.

"(4) The faculty shall have sufficient expertise to support the institution's awarding of a degree identifying a specialty or major field of emphasis, demonstrated by, at a minimum:

"(A) That the person possesses one of the following:

"1. a degree from: an institution approved by the Bureau or previously approved by a predecessor agency of the Bureau; or an accredited institution in the United States or Canada; or other state approved institution that documents that the institution at which the faculty member earned his or her degree is equivalent to an institution that is approved by the Bureau; or an institution outside the United States or Canada and in addition provides a comprehensive evaluation of the degree performed by a foreign credential evaluation service that is a member of the National Association of Credential Evaluation Services (NACES).

"2. a credential generally recognized in the field of instruction.

"(B) The degree, professional license, or credential possessed by the person shall be at least equivalent to the level of instruction being taught or evaluated;"

18. California Code of Regulations, title 5, section 71735, subdivision (a) states:

"(a) An institution shall have sufficient facilities and necessary equipment to support the achievement of the educational objectives of all of the courses and educational programs in which students are enrolled. If an institution represents that the educational service will fit or prepare a student for employment in a particular occupation or as described in particular job titles, either of the following conditions shall be met:

"(1) The equipment used for instruction or provided to the student shall be comparable in model type or features to equipment generally used in those occupations or job titles at the time the instruction is offered.

"(2) The institution shall establish that the equipment used for instruction or provided to a student is not obsolete and is sufficient for instructional purposes to reasonably assure that a student acquires the necessary level of education, training, skill, and experience to obtain

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employment in the field of training and to perform the tasks associated with the occupation or job title to which the educational program was represented to lead."

19. California Code of Regulations, title 5, section 71740, subdivision (d) states:

"(d) An institution that depends for library and other learning resources primarily on other institutions' collections and resources not in its possession shall do all of the following:

"(1) Describe those library and other learning resources, in the application and catalog.

"(2) Provide students and faculty with access to the regular services of a professional librarian or information specialist experienced in the electronic retrieval of information, who shall provide support for faculty in curriculum matters and actively serve as a resource guide for both graduate and undergraduate students.

"(3) Assure that students have access to the library collections and resources of another institution, organization, or library.

"(4) Document compliance with paragraphs (1), (2), and (3)."

20. California Code of Regulations, title 5, section 71745, subdivision (a) states:

"(a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following:

"(1) Provide all of the educational programs that the institution represented it would provide.

"(2) Ensure that all students admitted to its educational programs have a reasonable opportunity to complete the programs and obtain their degrees or diplomas.

"(3) Maintain the minimum standards required by the Act and this chapter.

"(4) Pay timely refunds as required by Article 13 of the Act.

"(5) Pay all operating expenses due within 30 days.

"(6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year when using generally accepted accounting principles, or for an institution participating in Title IV of the federal Higher Education Act of 1965, meet the composite score requirements of the U.S. Department of Education. For the purposes of this section, current assets does not include: intangible assets, including goodwill, going concern

value, organization expense, startup costs, long-term prepayment of deferred charges, and non-returnable deposits, or state or federal grant or loan funds that are not the property of the institution but are held for future disbursement for the benefit of students. Unearned tuition shall be accounted for in accordance with general accepted accounting principles."

21. California Code of Regulations, title 5, section 71810 states, in part:

"(a) Each institution shall provide a catalog pursuant to Section 94909 of the Code, which shall be updated annually. Annual updates may be made by the use of supplements or inserts accompanying the catalog. If changes in educational programs, educational services, procedures, or policies required to be included in the catalog by statute or regulation are implemented before the issuance of the annually updated catalog, those changes shall be reflected at the time they are made in supplements or inserts accompanying the catalog.

"(b) The catalog shall contain the information prescribed by Section 94909 of the Code and all of the following:

. . .

"(2) A statement of the institution's missions and purposes and the objectives underlying each of its educational programs;

. . . ."

22. California Code of Regulations, title 5, section 74115 states:

"(a) This section applies to every set of financial statements required to be prepared or filed by the Act or by this chapter.

"(b) A set of financial statements shall contain, at a minimum, a balance sheet, an income statement, and a cash flow statement, and the preparation of financial statements, shall comply with all of the following:

"(1) Audited and reviewed financial statements shall be conducted and prepared in accordance with the generally accepted accounting principles established by the American Institute of Certified Public Accountants by an independent certified public accountant who is not an employee, officer, or corporate director or member of the governing board of the institution.

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"(2) Financial statements prepared on an annual basis as required by section 74110(b) shall be prepared in accordance with the generally accepted accounting principles established by the American Institute of Certified Public Accountants. Nonprofit institutions shall provide annual financial statements as required under generally accepted accounting principles for nonprofit organizations.

"(3) The financial statements shall establish that the institution meets the requirements for financial resources required by Section 71745.

"(4) If an audit performed to determine compliance with any federal or state student financial aid program reveals any failure to comply with the requirements of the program and the noncompliance creates any liability or potential liability for the institution, the financial statements shall reflect the liability or potential liability.

"(5) Any audits shall demonstrate that the accountant obtained an understanding of the institution's internal financial control structure, assessed any risks, and has reported any material deficiencies in the internal controls.

"(c) Work papers for the financial statements shall be retained for five years from the date of the statements and shall be made available to the Bureau upon request.

"(d) 'Current' with respect to financial statements means completed no sooner than 120 days prior to the time it is submitted to the Bureau, and covering no less than the most recent complete fiscal year. If more than 8 months will have elapsed between the close of the most recent complete fiscal year and the time it is submitted, the fiscal statements shall also cover no less than five months of that current fiscal year."

FIRST CAUSE FOR DENIAL OF APPLICATION

(Enrollment Agreements)

23. Respondent's Application is subject to denial in that Respondent's enrollment agreements fail to contain the verbatim notice information required by California Education Code section 94911, subdivisions (i)(1), (i)(2), (j)(1), (j)(2), and (k). (Educ. Code § 94911, subds. (i)(1), (i)(2), (j)(1), (j)(2), and (k).)

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SECOND CAUSE FOR DENIAL OF APPLICATION

(False Information on Website)

24. Respondent's Application is subject to denial in that the institution's website contains false or misleading information, or the intentional or negligent omission of pertinent information. (Cal. Code Regs., title 5, § 71400.5, subd. (a).) In particular, the website states that the institution is approved by the Western Association of Schools and Colleges (WASC) Senior Colleges and University Commission, which is not true.

THIRD CAUSE FOR DENIAL OF APPLICATION

(Requisite Information Related to Educational Programs)

25. Respondent's Application is subject to denial in that Respondent failed to provide information regarding its educational programs, a Master of Science in Interdisciplinary Science and Doctor of Philosophy in Interdisciplinary Science, required by California Code of Regulations, title 5, section 71210, subdivision (c). (Educ. Code § 94885, subds. (a)(1) and (a)(2) and Cal. Code Regs., title 5, § 71210, subd. (c).)

FOURTH CAUSE FOR DENIAL OF APPLICATION

(Master of Science Syllabi)

26. Respondent's Application is subject to denial in that Respondent's syllabi for its Master of Science in Interdisciplinary Science program are incomplete and appear to contain false information. (Educ. Code § 94885, subds. (a)(1) and (a)(7) and Cal. Code Regs., title 5, § 71710, subd. (a) and 71400. 5, subd. (a).) In particular:

a. Of the fifteen courses Respondent seeks to provide, Respondent only offered syllabi for six courses.

b. Of the six syllabi Respondent provided, four appear to contain information that is not part of Respondent's institution. In particular, the location of some classes is not offered at Respondent's campus, but at George Mason University, in Fairfax, Virginia. Respondent has not explained how courses provided at George Mason University would also, possibly simultaneously, be part of Respondent's curriculum.

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c. The course Respondent identified as IDS 550 (Fintech Fundamental) is also identified as FIN 6300 in the same syllabus.

FIFTH CAUSE FOR DENIAL OF APPLICATION

(Doctor of Philosophy Syllabus)

27. Respondent's Application is subject to denial in that Respondent's syllabi for its Doctor of Philosophy in Interdisciplinary Science program are incomplete and inconsistent. (Educ. Code § 94885, subds. (a)(1) and (a)(7) and Cal. Code Regs., title 5, § 71710, subd. (a) and 71400. 5, subd. (a).) In particular:

a. The syllabus for IDS 805 (System Engineering II, Assessment and Grading) includes a requirement called Modeling Assignments, Technical Analysis, Capstone Project, and Project Presentation. But the syllabus does not mention when or how that presentation takes place.

b. The same syllabus requires that students complete a class called SE 6100. But Respondent does not offer a class called SE 6100.

c. The same syllabus also refers to lab work, but contains little or no information regarding labs.

SIXTH CAUSE FOR DENIAL OF APPLICATION

(Financial Statements)

28. Respondent's Application is subject to denial in that Respondent failed to submit current, reviewed financial statements, as required by California Code of Regulations, title 5, section 71240, subdivision (b). (Educ. Code § 94885, subd. (a)(6) and Cal. Code Regs., title 5, §§ 71240, subd. (b) and 74115.)

SEVENTH CAUSE FOR DENIAL OF APPLICATION

(Financial Resources)

29. Respondent's Application is subject to denial in that, by failing to submit current, reviewed financial statements, as required by California Code of Regulations, title 5, section 71240, subdivision (b), Respondent failed to document that it has sufficient assets and financial

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resources, as required by California Code of Regulations, title 5, section 71745, subdivision (a). (Educ. Code § 94885, subd. (a)(6) and Cal. Code Regs., title 5, § 71745, subd. (a).)

EIGHTH CAUSE FOR DENIAL OF APPLICATION

(Faculty)

30. Respondent's Application is subject to denial in that Respondent has failed to provide sufficient information to demonstrate that it will employ duly qualified faculty sufficient in number or that Respondent's faculty have sufficient expertise, as required by California Code of Regulations, title 5, section 71720, subdivisions (a)(1), (a)(3) and (a)(4). (Educ. Code § 94885, subd. (a)(5) and Cal. Code Regs., title 5, § 71720, subds. (a)(1), (a)(3), and (a)(4).)

NINTH CAUSE FOR DENIAL OF APPLICATION

(Facilities and Equipment)

31. Respondent's Application is subject to denial in that, while it proposes to offer in-person education, it has not offered a current lease for a location to offer in-person education. (Educ. Code §94885, subd. (a)(3) and Cal. Code Regs., title 5, § 71735, subd. (a).)

TENTH CAUSE FOR DENIAL OF APPLICATION

(Library Resources)

32. Respondent's Application is subject to denial in that, in its Application, Respondent states that it intends to depend on offsite library and learning resources not in Respondent's possession, but failed to provide the documents and information required by California Code of Regulations, title 5, section 71740, subdivision (d). (Educ. Code § 94885, subds. (a)(1) and (a)(3) and Cal. Code Regs., title 5, § 71740, subd. (d).). In particular, Respondent failed to document, as required by California Code of Regulations, title 5, section 71740, subdivision (d)(4), that Respondent can:

a. Provide students and faculty with access to the regular services of a professional librarian or information specialist experienced in the electronic retrieval of information, who shall provide support for faculty in curriculum matters and actively serve as a resource guide for both graduate and undergraduate students, as required by California Code of Regulations, title 5, section 71740, subdivision (d)(2).

b. Assure that students have access to the library collections and resources of another institution, organization, or library, as required by California Code of Regulations, title 5, section 71740, subdivision (d)(3).

ELEVENTH CAUSE FOR DENIAL OF APPLICATION

(School Catalog)

33. Respondent's Application is subject to denial in that Respondent's catalog does not contain sufficient information to substantiate that Respondent's proposed educational programs can achieve the stated objectives. (Educ. Code §§ 94885, subd. (a)(1) and 94909, subd. (a)(5) and Cal. Code Regs., title 5, § 71810, subds. (a) and (b)(2).) In particular:

a. Respondent's catalog fails to contain a statement of the institution's objectives underlying each of its educational programs, as required by California Code of Regulations, title 5, section 71810, subdivision (b)(2).

b. Respondent's catalog fails to contain a description of the instruction provided in each of the courses offered by the institution, as required by Section 94909, subdivision (a)(5).

c. With regard to its Doctor of Philosophy in Interdisciplinary Sciences program, Respondent's catalog fails to establish the requirements for completion of the program, as required by Section 94909, subdivision (a)(5).

d. With regard to Respondent's Master of Science in Interdisciplinary Sciences program and programs Respondent offers via distance education[1] or hybrid (both in-person and distance education), Respondent failed to provide a description of the programs offered and a description of the instruction provided in each of the courses offered by the institution, the requirements for completion of each program, including required courses, any final tests or examinations, any required internships or externships, and the total number of credit hours, clock hours, or other increments required for completion, as required by Section 94909, subdivision (a)(5).

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[1] "'Distance education' means transmission of instruction to students at a location separate from the faculty." (Educ. Code, § 94834).

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Director of the Department of Consumer Affairs issue a decision:

1. Denying the Application for Approval to Operate an Institution Non-Accredited in California submitted by International Technological University Foundation; and

2. Taking such other and further action as deemed necessary and proper.

DATED: 11/5/2026

"Original Signature on File"

ELIZABETH ELIAS
Chief
Bureau for Private Postsecondary Education
Department of Consumer Affairs
State of California
Complainant

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