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**LATE**

March 18<sup>th</sup>, 2013

To be presented to the Committee on Consumer Protection & Commerce  
Monday, March 18, 2013: 2:30 p.m. - Conference Room 325

Regarding SB (Senate Bill) 46: "Relating to Education"

Testimony - Support

Chair Angus L.K. McKelvey, Vice Chair Derek S.K. Kawakami, and the rest of the honored committee, I appreciate this opportunity to speak with you. The following is our testimony, which we offer in order to show **support of SB46 SD2 HD1.**

My name is Paul Drouin, and I am a medical doctor from Canada. Just weeks ago, I proudly received my American citizenship here in Hawaii. I am also the President of the International Quantum University for Integrative Medicine.

We are an unaccredited, post-secondary educational institution, based here in Hawaii. We offer degrees to professionals who want to use Natural, Holistic, and Integrative Medicine in their practices. We are an online university, use innovative teaching methods, and offer in-house financing to qualified applicants. These people range from full-time students who love and want to learn more about Natural Medicine, to those already practicing, who are looking to gain more expertise and a professional certification in their field.

We understand the need to safeguard Hawaii students and their families, and as such, we want to offer our testimony in regards to Senate Bill 46. We believe that making sure Hawaii's students are safe, well-served, and are able to gain access to the financial aid that they need is an important role of Hawaii's government.

We know that Senate Bill 46 needs to pass in order to make sure students of Hawaii get the correct financial aid, so please understand that we are coming into this discussion with that in mind. We do understand that you are looking for a way to make this bill work for Hawaii, and we offer our help, advice, and comments, both past and future, to help you in any way that we can. We want to make sure that Hawaii's students have access to the education that they want and deserve, and as such, we respectfully state our **support for SB46 SD2 HD1 to continue to exclude educational institutions governed by Chapter 446E.**

**1 - We support SB46 SD2 HD1 because in this version of the bill, as in the earliest version in both the House and Senate, Chapter 446E is not repealed nor significantly modified, and 446E continues to be an exception to this bill as recommend by the WAM and HED.**

The Senate Ways and Means Committee stated in the WAM committee report on February 27<sup>th</sup>, 2013 to amend SB 46 by “(7) **Deleting the repeal of chapter 446E**, Hawaii Revised Statutes, on unaccredited degree-granting institutions.”

Also, the author of this bill, **Senator Jill Tokuda, has recommended that SB 46 not include unaccredited universities.**

In addition, the House Committee on Higher Education stated in the HED committee report on March 12<sup>th</sup>, 2013 that “the **inclusion** of unaccredited post-secondary [Chapter 446E] institutions under the proposed regulations may be **inadvisable at this time.**”

### **REASONING:**

**Modifying or repealing Chapter 446E of the Hawaii Revised Statutes would negatively impact schools and the State of Hawaii.**

Repealing Chapter 446E of the Hawaii Revised Statutes will destroy or significantly change legally operating universities in the State of Hawaii, including ours. We have been operating here for over six years and have not had any complaint or issue. We have paid taxes, followed the rules, and made sure to comply with the Hawaii Revised Statutes.

If the State decides to modify or repeal Chapter 446E of the Hawaii Revised Statutes, it will not only lose universities and programs that are of educational value to the State's citizens, but it will also have negative economic implications.

**Legally operating universities under Chapter 446E of the Hawaii Revised Statutes pay taxes, hire employees, and give opportunities for students here in Hawaii that the State would be removing if Chapter 446E is repealed. For example, the University of Nations in Kailua-Kona on the Big Island has a local economic impact of at least \$15 million per year to the area in local taxes, jobs, tourism, etc.**

Also, the implications from modifying or repealing Chapter 446E would not just destroy or significantly change current legally operating colleges and universities: It would also stop new universities, colleges, and businesses from coming to Hawaii.

The State should honor the fact that some schools do not want to be accredited. Accreditation is a voluntary process, and some schools do not want to do it, for a multitude of reasons, including cost, political reasons, religious reasons, etc. As long as the college or University is offering a quality education, it should not be discriminated against, either in law or word, by those who believe that accreditation should be forced.

**2 – According to the DCCA, SB 46 should not apply to Chapter 446E institutions because it is not required to in order for other institutions to receive Title IV federal funding, and would complicate the state’s implementation of this bill into law.**

**The Department of Commerce and Consumer Affairs’ Deputy Director, Jo Ann Uchida, also DOES NOT SUPPORT repealing Chapter 446E.**

In her testimony to the Ways and Means Committee, on February 22, 2013 she states:

***“The department [DCCA] opposes including unaccredited institutions (chapter 446E) within the scope of this bill as provided for page 10 lines 9-14 and page 52, lines 4-5. Unaccredited degree granting institutions by definition will not qualify for state authorization or federal funding. Including these institutions in this bill, even with a delayed implementation date, significantly and unnecessarily complicates the fiscal and subject matter implications of this bill.”***

**REASONING:**

Since, “by definition [Chapter 446E Institutions] will not qualify for state authorization or federal funding,” modifying or repealing Chapter 446E would have no impact on other educational institutions continuing to receive federal funds under Title IV of the Higher Education Act of 1965.

**According to DCCA Deputy Director Jo Ann Uchida, applying this Bill to Chapter 446E institutions “significantly and unnecessarily complicates the fiscal and subject matter implications of this bill.”**

The current laws are quite rigorous, the Bureau of Consumer Affairs has been effective in eliminating bad schools, and there is currently not an overabundance of private non-accredited colleges or universities.

As long as the current private non-accredited colleges and universities abide by the requirements of Chapter 446E, they should be able to serve the state of Hawaii.

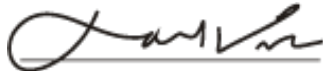
The current legally operating unaccredited universities offer much to the islands of Hawaii, and directly positively impact the State’s economy in the millions of dollars. Losing these universities would be a travesty, and **is not necessary to passing SB 46.**

In conclusion, since the Senate Ways and Means Committee (WAM) amended the bill to delete the repeal of Chapter 446E and the House Committee on Higher Education (HED) stated that including Chapter 446E institutions in SB 46 was inadvisable, the writer of this bill, Senator Jill Tokuda, has recommended in WAM that SB 46 not include unaccredited universities, and that the Department of Commerce and Consumer Affairs’ Deputy

Director, Jo Ann Uchida, also argued for the preservation of Chapter 446E, we would ask you for the benefit of all higher education in the State of Hawaii to continue to exclude educational institutions governed by Chapter 446E from SB46 SD2 HD1 and any future version of this measure in both the House and the Senate.

We understand the need to make sure that structure is in place, both to safeguard the peoples of Hawaii, and to help the State to receive federal monies, but modifying or repealing Chapter 446E does not do that. Modifying or repealing Chapter 446E would not serve to help the citizens of Hawaii, which is what Senate Bill 46 purports to do. Therefore, we would like to reiterate our **support for SB46 SD2 HD1 to continue to exclude educational institutions governed by Chapter 446E.**

We appreciate this opportunity to give testimony in regards to Senate Bill 46. If there is any way we can be of further assistance, please contact us. Thank you.



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To Be Presented to the Committee on Consumer Protection and Commerce  
March 18, 2013 2:30 pm  
Regarding Senate Bill 46 SD2, HD1  
“Relating to Education”



**TESTIMONY IN SUPPORT OF SB46 SD2 HD1**

Chair, Angus L.K. McKelvey , Vice Chair Derek S.K. Kawakami, and the rest of the honored committee:

We appreciate this opportunity to testify in the form of the following letter, since I am unable to be physically present with you.

My name is Irv S. Katz, Ph.D. and I am Chancellor of International University of Professional Studies. I received my doctorate degree in Clinical Psychology at Michigan State University in 1956. I have been in the academic community for over fifty years, which included being Chairman of the Psychology Department at University of Nevada, Las Vegas and Director of the Graduate Program for Antioch University in the State of Hawaii. I founded IUPS to provide students with opportunities I saw were missing and antiquated during my fifty years teaching in accredited universities. I was a member of WICHE (Western Interstate Commission for Higher Education) training and research for 8 years.

We are submitting testimony today specifically in support of the final version of SB46, which was passed in the Senate on February 27<sup>th</sup>. In the final version, the previous language calling for the repeal of 446E was removed.

**We urge the House to adopt the language of SB46, in place of the current language with regard to 446E in HB1200.**

**SB46, Page 10 – 11:**

§-2 Applicability of this chapter; exceptions.

(b) This chapter shall not apply to:

- 11) Unaccredited post-secondary educational institutions governed by chapter 4463.

**To replace the following:**

**HB1200, Page 8 – 15:**

§ -2 Applicability of this chapter; exceptions.

(b) This chapter shall not apply to:

- (11) Unaccredited post-secondary educational institutions

governed by chapter 446E,

**AND ELIMINATE THE FOLLOWING:**

**except as provided under**

**§4. (a) (14) Effective July 1, 2015, oversee the authorization of unaccredited degree granting institutions pursuant to chapter 446E.**

**BACKGROUND:**

IUPS is a non-accredited, non-profit educational institution that has been in existence for 24 years, since 1988. We offer degrees, providing students with a mentor-based, individualized, and self-paced alternative learning system, with a primary goal to produce competent professionals rooted in deep self-awareness, sensitive to multi-cultural and global issues, and committed to serving humanity. Armed with their degrees, graduates have been making substantial contributions in Hawaii and the rest of the world.

IUPS is a university that offers online programs and also direct teaching, using innovative and advanced teaching methods, to highly qualified applicants. It's important to note that many of the traditional universities are beginning to use some of the technological advances that we have been using for many years. Our tuition is comparatively low, which is highly appreciated in these days of soaring tuition costs. We offer graduate degrees in:

- Consciousness Studies
- Expressive Arts Therapy
- Holistic Psychology
- Integrated Health Sciences
- Organizational Development & Transformation
- Professional Coaching and Human Development
- Somatic and Spiritual Psychology
- Transformational Education
- Transpersonal Psychology

You'll notice that some of these degree specializations include programs not offered by the traditional Hawaii Institutions.

Our faculty graduated from some of the most esteemed institutions in the country. We have faculty members with doctorate degrees from Harvard, Yale, Barnard College, University of North Carolina, as well as MDs from UCLA and Stanford University. When I testified before the state legislature over a three-year period ending in 1999, along with representatives from other universities, we were able to demonstrate to the legislature that our presence in the state of Hawaii justified the passage of 446E. Since that time, with the enforcement of 446E, the situation has only improved.

**ARGUMENT IN FAVOR OF SUPPORT OF SB46**

**We support the passage of SB46 to comply with federal regulations and request that the wording in SB46 be mirrored in HB1200, excluding unaccredited schools governed by 446E.**

We agree with the February 11, 2013 testimony of Jo Ann Uchida Takeuchi on behalf of the Department of Commerce and Consumer Affairs before the House Committee on Consumer Affairs and Commerce where she stated “the department opposes making changes through this bill to the existing unaccredited degree institutions law, Hawaii Revised Statutes, 446 E.” She also stated that “The cost of implementing the program solely for accredited agencies will already be high; the added cost of unaccredited degree granting institution enforcement will likely drive that cost significantly higher.”

This testimony in essence is supported by the February 11, 2013 testimony of Evelyn Schemmel on behalf of Heald College before the House Committee on Commerce and Consumer Protection: She stated that the bill should “be significantly narrowed to address the issue at hand,” and that “the necessary level of analysis and deliberation required of a piece of legislation introducing such significant change and expansive new government duties” should be considered. **Even if the changes are delayed until 2015, there would be considerable cost factors to be dealt with.**

We have reviewed the proposed testimony of International Quantum University for Integrative Medicine, Akamai University, and the University of the Nations and we are in agreement with their recommendations for specific amendments to the language of SB 46.

The current laws found in 446E have been and continue to be effective, and the Department of Commerce and Consumer Affairs has been diligent and rigorous in eliminating diploma mills.

We agree with the statement that the State of Hawaii should honor those schools that do not want to be accredited. Over the last fifteen years, we have examined the issue of accreditation thoroughly and have come to the conclusion that accreditation will be more of an albatross than an asset. Tuition would be increased multiple times. Many of the required regulations would be a hindrance to the effectiveness and flexibility of our program.

It is an unwarranted generalization to assume that accreditation is always positive and non-accreditation is negative in all cases. Accreditation is voluntary and choosing not to be accredited is a valid alternative. That brings innovative educational opportunities to more students, and lower tuition rates. The people of Hawaii should not be deprived of this option.

**In conclusion, we support SB46 and request that the House adopt the language in SB46 with regard to unaccredited institutions, replacing the current language in HB1200.**

We appreciate this opportunity to submit this testimony, and if we can be of further assistance, please contact us.

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