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GOVERNOR OF HAWAII



2008 MAR 27

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DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
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In reply, please refer to:
File:

March 20, 2008

TO: The Honorable Rosalyn H. Baker, Chair
Committee on Ways and Means

The Honorable Marcus R. Oshiro, Chair
Committee on Finance

FROM: Chiyome Leinaala Fukino, M.D., Director
Department of Health

SUBJECT: ***Follow-up Response to Memorandum on Grants and Subsidy Applications for 2008-2009***

Pursuant to your joint memorandum dated February 14, 2008, attached please find the Department of Health's Statement of Findings and Recommendations for the remaining grant applications assigned to our department. For each grant application, an excel file and an accompanying narrative in MS Word will be electronically transmitted as requested.

The following are included:

1. Lokelani Ohana
2. Best Buddies International, Inc.
3. Puna Kamali'I Flowers, Inc.
4. Waikiki Community Center

Please note that our Department completed and submitted a Statement of Findings and Recommendations for *Maui Family Support Services*. Subsequent to our submittal, this grant application was requested from us by the Department of Labor and Industrial Relations to also provide their review and recommendation.

Senator Rosalyn H. Baker, Chair
Representative Marcus R. Oshiro, Chair
March 20, 2008
Page 2 of 2

Finally, Waikiki Community Center's capital improvement project grant application has been referred to the Department of Land and Natural Resources (DLNR). The CIP application names DLNR as the related agency. DLNR is the legal owner of the land under which the center stands, has greater expertise and background knowledge in the lease agreement and capital improvement issues with WCC.

We hope that the information provided will be helpful to the committee during their review of the grant and subsidy applications. If there are any further questions, please contact either the Acting Chief, Administrative Services Officer, at 586-4550 or Sharon Abe, Budget Officer, at 586-4553 or Russell Uchida, Program Evaluation Analyst at 586-4639.

Att.

STATEMENT OF FINDINGS AND RECOMMENDATIONS

OPERATING

FY 2008-2009

Log No: _____
 Department: Health Does request qualify as a POS? Yes / No

Program ID: HTH904 If yes, what POS service activity? Senior Services for Waikiki's Elders

Organization: Waikiki Community Center Does request comply with qualifying standards and conditions? Yes / No

Service Activity: Senior Services for Waikiki's Elders Does request serve a public purpose? Yes / No

	Original Request	Dept. Adjustment	Dept. Recommendations	
	<u>FY 2009</u>	<u>FY 2009</u>	<u>FY 2009</u>	
<u>Operating Expenses:</u>				
Personal Services:				-
Current Expenses:				-
Equipment:				-
Motor Vehicles:				-
<u>Total Requirements:</u>		-		-
<u>Less:</u>				
<u>Net General Funds:</u>	81,000	-	-	-

STATEMENT OF FINDINGS AND RECOMMENDATIONS
NARRATIVE

Log Number: _____
Department: Health
Program ID: HTH904
Organization: Waikiki Community Center
Service Activity: Senior Services for Waikiki's Elders

Public Purpose to be Served

This project will facilitate access to information and services, case management, and professional counseling to deal with psycho/social problems, assessment of needs, educational seminars, recreation, socialization opportunities, physical fitness activities, wellness activities, and outreach to older adults living in Waikiki. In addition, the community will be better informed about elderly services through outreach activities to ten area condo resident managers and five area churches. This request will maintain the current continuum of services to the elderly, who have no relatives or other family members nearby. The older adults rely on Waikiki Community Center (WCC) to provide supportive activities to prevent social isolation and to support lifelong learning, physical and emotional health, and independent living.

Qualifying Standards and Conditions

WCC submitted the Declaration Statement for Applicants for Grants and Subsidies for Chapter 42F without supporting documentation.

Analysis of the Request and MOF

- Legislative Year 2004, Act 25 appropriated \$25,000 to WCC from the Emergency and Budget Reserve Fund of "Rainy Day Fund."
- Legislative Year 2005, Act 236 appropriated \$55,000 to WCC from the Emergency and Budget Reserve Fund of "Rainy Day Fund."
- Legislative Year 2006, Act 160 appropriated \$65,000 to WCC as a Grant-In-Aid in the EOA Budget.
- Legislative Year 2007, Act 213 appropriated \$50,000 to WCC as a Grant-In-Aid in DHS's budget.

Validity and Need of the Request

There is a need for these services in the Waikiki area based on the demographic profile of elders, but EOA is unable to make a funding recommendation until the following points are addressed:

- Based on the requirements of the Older Americans Act, EOA awards State and Federal funds to the Elderly Affairs Division (EAD) of the City and County of Honolulu via contracts to plan for and fund elderly services on Oahu. Senior centers are rated in the lowest priority among service categories in the EAD's Area Plan on Aging for October 1, 2007 to September 30, 2011. Has WCC approached EAD for funding or should in-home services to frail elderly be funded since these services have the highest priority?

- Has the County Department of Parks and Recreation been asked to assist in providing instructors or curriculum for the recreational, wellness and physical fitness activities WCC provides?
- Does WCC have collaborative relationships with Kapahulu Center or Moliili Community Center to prevent duplication of services or to share resources?
- Is WCC engaging in community fund raising efforts apart from seeking government support?
- It would appear that continued State funding would be needed by this program to offer the same array of services it currently does or to prevent termination of the program, as stated in WCC's cover letter of January 17, 2008 to the Senate Ways and Means Committee. Is this consistent with the Legislative intent of the funds?

STATEMENT OF FINDINGS AND RECOMMENDATIONS OPERATING

FY 2008-2009

Log No: _____

164-0

Department: _____

Health

Does request qualify as a POS? _____

Yes _____ No X

Program ID: _____

HTH 501

If yes, what POS service activity? _____

Organization: _____

Lokelani Ohana

Does request comply with
qualifying standards and conditions? _____

Yes _____ No _____

Service Activity: _____

Grant Request-Operating Funds

Does request serve a public purpose? _____

Yes _____ No _____

	Original Request FY 2009	Dept. Adjustment FY 2009	Dept. Recommendations FY 2009	
Operating Expenses:	75,000			
Personal Services:	60,552			
Current Expenses:	15,000			
Equipment:				
Motor Vehicles:				
Total Requirements:	150,552	-		
Less:				
Net General Funds:	150,552	-		

STATEMENT OF FINDINGS AND RECOMMENDATIONS
NARRATIVE

Log Number: _____
 Department: Health
 Program ID: HTH 501
 Organization: Lokelani Ohana
 Service Activity: Support for Waihe'e Farm Program and Saori Weaving Project (Lokelani Ohana)

Public Purpose

Lokelani Ohana's goal is to provide instruction in Saori Weaving and organic farming (Waihe'e Farm Program) to the developmentally disabled.

Saori Weaving originated in Japan in the 1960's and is based on the premise that any person can freely express himself/herself regardless of age, gender, or physical or intellectual disability. The focus of Saori is not on the weaving itself, but rather on creative and artistic expression. Lokelani Ohana hopes to provide meaningful work for 160 developmentally disabled participants each month in their weaving program. The intention is to have the weavings (scarves, wall hangings, shawls) sold at craft and holiday fairs and at the hotel Aloha Friday events. The income earned by the sales will be used to purchase more weaving supplies.

Lokelani Ohana also has a farming program, called the Waihe'e Farm Program, located on the north shore of Maui in the village of Waihe'e on 1.2 acres of agricultural land. The grant application states that two Maui DDD Community Medicaid providers: Easter Seals and Ka Lima 'O Maui, have their own garden beds on this site. Their clients learn organic farming techniques, hand weeding, tilling in biodynamic compost, and caring for and maintaining their garden beds. Lokelani Ohana's plans to utilize grant funding for labor and equipment in the farming program and to hire an assistant who will support the special needs clients in the farming endeavor (e.g. planting dry and wet taro, and cultivating tropical flowers, indigenous plants, Hawaiian medicinal herbs, and produce).

Qualifying Standards and Conditions

Lokelani Ohana Board President Anthony Leone signed a Declaration Statement for Applications for Grants and Subsidies. This acknowledges that the applicant meets and will comply with all of the relevant standards pursuant to section 42F-103, Hawaii Revised Statutes. It also certifies that the organization is a non-profit entity incorporated in Hawaii. The application states that Christina Chang is the executive director and is a doctor of Chinese Medicine, certified by the California School of Herbal Studies. Originally founded in 2000 by Christina Chang, the project was named La'a Kea. Following a "difference in methodology with other board members", Christina Chang subsequently started a new non-profit organization: Lokelani Ohana. The previous organization, La'a Kea, is also requesting public funds to develop a farm community on Maui. The relationships with Lokelani Ohana and other Maui non-profit organizations and any supporting documents or agreements are not known.

Analysis of the Request and MOF

The total grant of \$150,000 is to be used for the following: 1) At Lokelani Ohana, the goal is to purchase two Saori Weaving looms (one portable and one wheel chair accessible), as well as to hire one part-time weaving instructor and one assistant. 2) Lokelani Ohana's goal is to acquire funding for labor and equipment to clear and develop half an acre of leased land. 3) To hire an assistant to support special needs clients in the farming endeavor. More detail may be required to adequately analyze the planned costs associated with this grant request. Lokelani Ohana's grant request implies a cooperative relationship with Easter Seals, Ka Lima 'O Maui and Alternative Care Services. There are no statements from those organizations submitted in support of this request. It is unknown if subsequent funding requests will be required to maintain this organization in future years.

Validity and Need of the Request

Currently, the Saori Weaving Project is being run using traditional older weaving looms owned by the weaving instructor. Hundreds of participants so far have been taught to weave using the Saori method by a trained instructor on the borrowed looms. This project is located at the Easter Seals Day Program at the Cameron Center, and the Ka Lima 'O Maui Day Program site. Without cooperative agreements from these two organizations being submitted, it is unknown if the proposed 160 clients at the Cameron Center are available to receive services at Lokelani Ohana.

As was specified in section 12, clients of two waiver providers (Easter Seals and Ka Lima 'O Maui) are utilizing the Waihe'e Farm Program. Each organization has their own garden bed in which they grow and harvest plants and/or vegetables of their choice. In the last year, the garden beds have yielded lettuce, beets, carrots, kale, swiss chard, sweet potatoes, green beans, arugula, mizuna, mustard greens, corn, cowpeas, borage, sage, cilantro, parsley, basil, butternut squash, acorn squash, lemongrass, mamaki tea, figs, bananas, papayas, and Ulu. The produce grown by the farming program is currently being sold at The Banyan Tree Organic Farmers Market in Wailuku, and the Down to Earth Food Store in Kahului. The number of clients from Easter Seals and Ka Lima 'O Maui that participate at Lokelani Ohana at this time is unknown to the DDD.

In general, the DOH supports the intent of Lokelani Ohana yet desires more integrated employment outcomes than currently exist. The department also cautions that the State take care to not fund any program that may violate the 1999 Supreme Court *Olmstead* decision:

“Institutional placement of persons who can handle and benefit from community settings perpetuates unwarranted assumptions that persons so isolated are incapable or unworthy of participating in community life, cf., e.g., *Allen v. Wright*, 468 U. S. 737, 755; and institutional confinement severely diminishes individuals' everyday life activities.”

For the past two decades there has been a shift to move away from segregated residential and programmatic settings with the emphasis to have persons with developmental disability become an integral part of their home community. This person centered, self-determined integration mandate is required in Hawaii under Hawaii Revised Statute 333F. There is concern that the Lokelani Ohana's programs may not allow the clients to be sufficiently integrated into the community of Maui. The Camphill model, mentioned as a consulting entity, is well known nationally to be a restrictive environment that isolates rather than integrates persons with disability into their community. Lokelani Ohana may be able to allay these concerns with a statement of purpose and clarification of the role of Camphill.

Additionally, it is unclear as to the justification for the state funding of this particular program versus another non-profit program. The DDD supports the concept stated in this grant request to purchase looms to continue to allow several community programs and the individuals they serve to benefit rather than just the grantee and a more limited number of persons. The DDD urges the State to use caution in granting this request without clarification of the relationship with other providers and evidence of demand for Lokelani's services for an additional 160 individuals.

STATEMENT OF FINDINGS AND RECOMMENDATIONS

FY 2008-2009

OPERATING

Log No: 164-0
 Department: Health
 Program ID: HTH 501
 Organization: Best Buddies Hawaii
 Service Activity: Grant Request-Operating Funds

Does request qualify as a POS? Yes No
 If yes, what POS service activity? Home & Based Comm-based Waiver Program
 Does request comply with qualifying standards and conditions? Yes No
 Does request serve a public purpose? Yes No

	Original Request FY 2009	Dept. Adjustment FY 2009	Dept. Recommendations FY 2009
<u>Operating Expenses:</u>	93,330	-	-
Personal Services:	53,670	-	-
Current Expenses:	3,000	-	-
Equipment:	-	-	-
Motor Vehicles:	-	-	-
Total Requirements:	150,000	-	-
Less:	-	-	-
Net General Funds:	150,000	-	-

STATEMENT OF FINDINGS AND RECOMMENDATIONS
NARRATIVE

Log Number: 17-0
 Department: Health
 Program ID: HTH 501
 Organization: Best Buddies Hawaii
 Service Activity: Grant Request- Operating Funds

Public Purpose:

Best Buddies Hawaii would open twelve Chapters on high school and college campuses, match 120 people with intellectual disabilities in friendship, host 48 group outings, and train 72 student leaders. The number of participants expected to be served is 300 with as positive impact on 1,500 Hawaii residents. The premise is one-to-one friendship of a youth with developmental disabilities (DD) and a typical youth benefiting the social skills of both parties. The social skills in making and maintaining friendships increase the likelihood of success in the school, workplace and the community.

Qualifying Standards and Conditions

Best Buddies submitted the Declaration Statement for Applicants for Grants and Subsidies for Chapter 42F. It included the organizational chart and a timeline to achieve the proposed project objectives. Best Buddies is a nationally recognized organization affiliated with the Kennedy Foundation. The concept of natural supports for persons with disabilities includes peer friendships and is a best practice supported by the Department of Health.

Analysis of the Request and MOF

Best Buddies is a non-profit requesting for 100% funding of its start up cost in Hawaii. Private matching funding was not mentioned.

A. Personnel Cost:

1. State Director for Best Buddies Hawaii Annual Salary	\$76,500
2. Fringe Benefits	16,830
Total Personnel Cost	\$ 93,330

B. Other Current Expenses:

1. Lease/Rental of Space	\$ 4,500
2. Staff Training	\$ 1,150
3. Supplies/Printing	\$ 1,800
4. Telecommunication	\$ 2,100
5. Site Visits/Travel	\$ 2,400
6. Postage	\$ 750
7. Agency Support and Training	\$ 22,500
8. Volunteer Recruiting, Training, Mgmt.	\$ 18,470
Total Other Current Expenses	\$ 53,670

C. Description of Equipments:

1. Computer	\$1,250
2. Copier	\$ 500
3. Fax Machine	\$ 250
4. Furniture (desk, chair, cabinet, telephone)	\$1,000
Total Equipment Expenses:	\$3,000

Validity and Need of the Request

The DDD has concerns about the use of public funds and the benefits and cannot make a recommendation until the following points are clarified:

1. If this grant request is fully funded, should public funds be used to pay for a non-profit agency's start up cost in Hawaii? If so, would other non-profit agencies follow this precedent to request public funds for payroll, rent, equipment and supplies to open its doors?
2. As a non-profit agency, could Best Buddies use fundraising efforts to secure start up capital through the private sector? In light of finite public funds compared to the breadth of social service needs, should public funds be more appropriate as a last dollar source of funding?
3. Best Buddies' request did not mention how future funding will be secured. What is the commitment from any private foundation or donor to keep the agency in operation should the State only fund its 1st year in Hawaii? Will Best Buddies seek further State funds to remain viable?
4. What is the minimum level of public funding required for successful implementation? The University of Hawaii JABSOM Sunny Buddies Program has operated for many years as a strictly volunteer organization without public funds. This same concept has been supported by one employee in the Department of Health, Developmental Disabilities Division and is available to Best Buddies.
5. Across the US and in Hawaii, private sector agencies utilize existing public funding programs for direct services similar to what is proposed by Best Buddies. In Hawaii, there are DOE programs, the Medicaid Home and Community Based Waiver program and the Department of Health's Partnership for Community Living payments for individualized services. In Hawaii, start up costs are not funded.
6. In summary, the State may need to consider the economic feasibility of the Best Buddies grant request. These type services are not unique and are provided by over 50 private providers in Hawaii. This funding of Home and Community Based personal assistance and community integration mentors is paid through the Medicaid waiver program and is also available to Best Buddies. The innovative approach from Best Buddies is to use volunteer peers in schools rather than paid one to one companions. This possibly could be supported by DOE funds, as it is a school based service. It may be possible for the DOE to use Medicaid matching funds to supplement the cost of these services if development of social skills is identified in the Individual Education Plan. The Department of Health, Developmental Disabilities Division has provided information to Best Buddies and ongoing assistance to Best Buddies in becoming a Waiver provider.

STATEMENT OF FINDINGS AND RECOMMENDATIONS

FY 2008-2009

CAPITAL IMPROVEMENT PROJECT

Log No: 214C

Department: Health

Does request comply with
qualifying standards and conditions? Yes X No

Program ID: HTH 501

Does request serve a public purpose? Yes X No

Organization: Puna Kamalii Flowers Inc. (PKF)

Service Activity: CIP-Construction of Training Site

	Original Request	Dept. Adjustment	Dept. Recommendations	
	<u>FY 2009</u>	<u>FY 2009</u>	<u>FY 2009</u>	
<u>Operating Expenses:</u>				
Plans:				-
Land Acquisition:				-
Design:				-
Construction:	530,000			
Equipment:	70,000			
Total Requirements:	600,000	-		
Less:				
Net General Funds:	600,000	-		

STATEMENT OF FINDINGS AND RECOMMENDATIONS
NARRATIVE

Log Number: 214-C
 Department: Health
 Program ID: HTH 501
 Organization: PUNA KAMU'I FLOWERS, INC (PKF)
 Service Activity: CIP -Construction of Training Site

Public Purpose:

PKF, a for-profit corporation founded in 1998 by Tom and Vicki Nelson, provides employment for individuals with Developmental Disabilities and/or Intellectual Disabilities (mental retardation). PKF has been featured in local newspaper articles as an example for agencies in other countries (e.g. "Handicapped Japanese are finding hope in Hilo" Star Bulletin.com, August 15, 2005). PKF was recognized as the 2006 Winner by the U.S. Small Business Administration (SBA) for their employment of individuals with disabilities and 2004 Winner-Akepa Award for recycling 80 tons of newsprint annually. This grant request seeks to expand the PKF physical plant allowing for more production and employment opportunities.

Qualifying Standards and Conditions:

PKF submitted the Declaration Statement for Applicants for Grants and Subsidies for Chapter 42F. However, company by-laws and/ or long term strategic plans or policies were not submitted. PKF is a SBA-Hubzone Certified Eligible Contractor, HI Department of Labor Workforce Connection, School-to-Work readiness training site, HI Department of Health (DOH)'s Developmental Disabilities Division (DDD) Medicaid Waiver Provider, and participates in the Social Security Ticket to Work Employment Network.

Analysis of the Request and MOF

PKG is requesting 100% funding for a for-profit company's expansion. Private matching funding, profit/loss statements or fundraising efforts were not mentioned.

Goal 1: Build (1) 100 X 100 metal warehouse/packing facility

Build (1) orchid 100 X 100 floral greenhouse

Build (1) floral shade cloth greenhouse

Obtain plant materials and supplies to increase job opportunities in tropical agriculture on the Big Island of HI in 6 months

Construction cost		\$530,000
Plant Material	+	\$ 49,800
Supplies (wheelbarrows, rakes, etc.)		\$ 9,000
Supplies (fertilizer)		\$ 11, 200
		<u>\$600,000</u>

Validity and Need of the Request

Individuals with developmental disabilities (DD) need guidance and training to learn social and vocational skills to maintain employment. The DDD encourages individuals who are able to work to explore employment training and opportunities as appropriate. DDD case managers meet with individuals and their social circle to create an Individualized Service Plan (ISP) based on person-centered planning to identify the individual's priority goals. ISP outcomes are tracked by measurable objectives of which integrated employment is most desirable. Some individuals must restrict physical activities in work environments (i.e. lifting over 10 pounds, no direct sunlight, no bending or no prolonged standing over a certain time period). Some individuals' current social skill or emotional maturity level requires them to have constant adult supervision to stay on task. Competitive employment in normalized integrated settings rather than sheltered employment is the standard in Hawaii and nationally. PKF utilizes a restrictive approach to employment outcomes, minimizing the opportunities for future employment to outside private sector businesses. Most individuals served by PKF can learn work skills "on the job" of choice near their home rather than always attend a sheltered location program.

The DDD has concerns about the use of public funds and how much the public will benefit and cannot make a recommendation until the following points are clarified:

1. PKF's 1st objective is to "increase the training site facilities and nursery size to train and employ 100 individuals with DD in tropical agriculture which industry substantially needs quality, trained employees in one year" (Page 2).

As of March 15, 2008, the DDD does not have 100 individuals on the Big Island who may benefit from supported employment. Currently PKF serves about 15 individuals who are known to the DDD.

2. PKF's 4th objective is to "train/hire total of 100 persons with DD/MR by 12 months, laying a solid foundation to placing individuals with DD in employment" (Page 2).

- A. Train/hire 33 persons with DD by 6 months
- B. Train/hire 33 more persons with DD by 9 months
- C. Train/hire 34 more persons with DD by 12 months

As of March 15, 2008, the DDD does not have enough clients on the Big Island to fill the capacity projected by PKF at six (6) months, nine (9) months, and 12 months. The DDD does not expect a surge in new clients to fill PKF's expanded capacity. PKF may need to fill hire/train persons with all types of disabilities to meet its training/hiring goals. There are many other DDD providers on the Big Island.

3. PKF's 8th objective to "assist in employment transitioning for individuals with DD/MR who may be unemployed, sitting in adult day health (ADH) programs with viable unknown, untrained, job skills for employment through computer training, hands on production, and direct support worker assistance (Supported Employment)" (Page 3). "Therefore creating a large, recognizable, substantial decrease of HI State ADH costs for 100 persons with DD/MR [Mentally Retarded] of \$1,690,000.00 at an average cost of \$65.00 per week, per 1 year (12 months) of time. (This is a figure assuming the individuals left an ADH program to go to work" (Page 7).

The DD/MR Medicaid Waiver Program has different levels of ADH to provide a small group environments that fosters growth, and challenges the adult participant to increase independence in a variety of community settings:

ADH Level One serves individuals who may need intermittent reminders throughout the day to stay on tasks. They are usually independent with personal care and are able to express their basic needs through verbal and non-verbal communication.

ADH Level Two serves individuals who may need specialized or behavioral supports including special diet, seizure activity monitoring and/or implementation of a Positive Behavior Support Plan to prevent injury to self, aggression to others and property damage.

ADH Level Three serves individuals who may need nursing care such as monitoring unstable respiratory, diabetic and skin conditions and/or tube feedings through the nose or the stomach.

If the DDD assumes that most of individuals in ADH Level One on the Big Island are able to work and are interested in going to PKF for supported employment, the proposed cost savings of \$65/full day (6 hours as defined by contract) in ADH may not materialize when PKF bills the State for Habilitation-Supported Employment (Hab-SE) rate of \$23.10/hour. Most of the current PKF employees/clients with DD are PKF's Hab-SE clients. However, if competitive (above minimum wage) and integrated employment are reached, PKF will "graduate" clients to employment which would result in savings to the DDD Medicaid Waiver program since no public ongoing funds would be needed.

Cost Analysis for 6 hours of DD/MR Medicaid Waiver service per client:

ADH Level One full-day rate (6 hours) = \$ 65.00

Hab-SE hourly rate of \$23.10 X 6 hours= \$138.60

4. How does the State encourage the community integration or the least restrictive environment for workers with DD if PKF's plan does not include a transition plan or exit plan into a typical community employment site?
5. If this grant request is fully funded, should public funds be used to pay for 100% of the training facility of a for profit company. If the State authorizes the funding of a popular and well-intended private company's expansion, does this serve as a precedent for other for profit private companies to seek public funds for new facilities, work tools and raw materials?
6. In summary, the State may need to consider the effectiveness and efficiency of PKF's grant request?
7. Is PKF able to meet its stated objective of employing 100 individuals with DD without impacting other existing programs? Is there adequate demand for PKF's services or employment supported services? Even in the best of economic times, is it cost-effective for public funds to finance a private company's expansion?