

COPY

House District 99

Senate District 99

THE TWENTY-SEVENTH LEGISLATURE
HAWAII STATE LEGISLATURE
APPLICATION FOR GRANTS & SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant or Subsidy Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN):

DEPARTMENT OF EDUCATION

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): EDN 400

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual: HAWAII 3R'S

Db:

Street Address: 735 BISHOP STREET, SUITE 336
HONOLULU, HAWAII 96813

Mailing Address: SAME AS ABOVE

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name RYAN T. SHIGETANI

Title EXECUTIVE DIRECTOR

Phone # (808) 521-5525

Fax # (808) 521-5527

e-mail ryan@hawaii3rs.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION
- FOR PROFIT CORPORATION
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

Operating and grant funds for the Hawaii 3R's School Repair and Maintenance Fund for the repair and maintenance of Hawaii's public schools. Hawaii 3R's leverages these funds with federal and private funds, as well as with sweat equity from community and business volunteers.

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2014: \$ 400,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$125,000
FEDERAL \$0
COUNTY \$0
PRIVATE/OTHER \$50,000

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

RYAN T. SHIGETANI / EXECUTIVE DIRECTOR

NAME & TITLE

JANUARY 31, 2013

DATE SIGNED

Application for Grants and Subsidies

I. Background and Summary

1. A brief description of the applicant's background

In 2001, U.S. Senator Daniel K. Inouye initiated a program called Hawaii 3R's, which stands for Repair, Remodel and Restore Hawaii's Public Schools, to assist the State in tackling the enormous backlog in school repair and maintenance projects. Hawaii 3R's is a 501(c)(3) organization whose purpose is to help provide a safe and nurturing learning environment in public schools, by leveraging State, Federal, and private funds with extensive support from the community. Additionally, Hawaii 3R's promotes civic vitality by increasing community pride and participation, supporting and facilitating volunteerism, and by recruiting the participation of key sectors of the community – businesses, the military, unions and trades organizations, churches, civic groups, etc. Since then, the success of Hawaii 3R's can be easily illustrated by the following statistics through January 2013:

- 530 grants awarded to 190 different schools on six islands (Oahu, Hawaii, Maui, Kauai, Lanai, and Molokai) totaling \$19.7 million
- The estimated value of the projects completed or in progress is \$46.5 million
- Hawaii 3R's has received \$3.3 million in State grant-in-aid funds
- Hawaii 3R's has saved the State over \$43.0 million since 2001
- For every State dollar “invested”, twelve dollars of work has been completed
- Administrative costs as a percentage of total costs from 2005 to 2012 is 7%

2. The goals and objectives related to the request

The goal of this request is to obtain the necessary funds to allow Hawaii 3R's to continue to award grants, energize the community, and complete much needed repair and maintenance projects at any public school statewide.

Hawaii 3R's will not receive federal earmark funds, at least in the next few years, and thus State and private funds will be the only source of funds for grants. To counteract the loss of federal funds and the uncertainty of receiving a State GIA, Hawaii 3R's has embarked on a comprehensive private fundraising campaign. However, for a program like Hawaii 3R's that focuses on repairs and maintenance, project costs are high, and raising enough funds privately to remain solvent in these economic times is very challenging.

This State GIA may be needed to buy enough time for Hawaii 3R's to remain in operation until the private fundraising plan can be fully implemented and successful.

3. State the public purpose and need to be served

The primary public purpose and need to be served is the expediting the repair and maintenance of public school facilities.

A secondary public purpose and need to be served is proving the means for community building and civic vitality.

4. Describe the target population to be served

The primary target population to be served is public school students, parents, teachers, and administrators who will benefit from improved facilities, and donated products and services. The secondary target population to be served is the community by giving them the means to give back to the schools, either through “sweat equity” or by donations.

5. Describe the geographic coverage.

Hawaii 3R's grants are available to any public school statewide, as funding allows. As mentioned earlier, we have awarded grants to schools on six islands.

II. Service Summary and Outcomes

1. Describe the scope of work, tasks and responsibilities

The scope of work, tasks and responsibilities of Hawaii 3R's varies from community facilitator, to grant writer, from construction manager to volunteer coordinator. To illustrate one aspect of the scope of work, and to show the depth of the procedures that have already been established, we have provided our application and project management procedures below:

- 1) H3R's contacted by an interested school or interested party
 - i. School Admin (sometimes teacher, PTSA, individual parent, etc.)
 - ii. Other DOE/DAGS staff (BIPS, DM, engineer, etc.)
 - iii. Community (business, legislator, church, military, etc.)
- 2) Basic Research
 - a. Determine basic information from contact (phone or e-mail, sometimes site visit)
 - i. Scope of work – problem and solution
 - ii. Have they discussed project with Inspector or DM?
 - iii. When would school like to schedule project?
 - b. Consult with BIPS Inspector and/or DM (or DAGS District Engineer)
 - i. Are they aware of project?
 - ii. Should project be done by H3R's?
 1. Is the project being funded/completed through other means?
 2. Are there any issues that we should be concerned about?
 - iii. If not on backlog list, would they be willing to add it?
 - iv. If everything is okay, request project E0#, description, and estimate.
- 3) Schedule meeting with school (Can be phone or e-mail for an experienced school)
 - a. Meeting can include volunteers and contractors, if appropriate
 - b. Share results of basic research
 - c. Get more details on project (scope, timeline, volunteers, contractors, etc.)
 - d. Visit project location on campus
 - i. Look for other issues (access for contractors, additional projects, potential problems like wires, pipes, drainage, etc.)
 - e. Provide basic information on H3R's application process, including deadlines and expectations, including letters of support, pictures, estimates from licensed contractor, etc.
 - f. Provide school/project manager with sample application of similar project
 - g. Offer appropriate level of H3R's assistance

- 4) Schedule follow up meetings (if needed) with contractors and/or volunteer leaders
 - a. Ask Inspector/District Manager/Engineer to attend if their expertise is needed
 - b. Make sure contractors are licensed
 - i. Double check contractor estimate versus DOE/DAGS estimate to ensure matching requirement is met
 - c. Make sure contractors and volunteer leaders understand the scope of work and project schedule
- 5) Review Preliminary Plans
 - a. Follow up with school/project manager if plan is incomplete or incorrect
 - b. If plan is okay, notify school/project manager to proceed with application
- 6) All H3R's staff to compile list of potential projects for that round
 - a. Notify Monica if any projects need lead/asbestos testing
- 7) Schools/project managers to finish and submit applications (electronically or fax/mailed)
 - a. Assist school/project manager if necessary (meeting, phone, e-mail)
 - b. Double check contractor estimate versus DOE/DAGS estimate to ensure matching requirement is met
- 8) Review applications
 - a. Check for completeness
 - b. Edit, as appropriate (or return to school for revision)
 - c. Submit revised application and all attachments to Ryan
- 9) Application review and approval
 - a. Applications graded by Technical Review Committee
 - b. Satisfactory applications recommended for approval by Board of Directors
 - c. Board of Directors approval based on project quality and funding availability
- 10) Staff to formally notify schools of grant award and send out MOU
 - a. (New notification letter will include appropriate staff person's contact info)
 - b. At this point, you can informally notify your contact people of approval and they can begin final planning
- 11) Schedule final planning meeting if needed
 - a. Meeting can include contractors and volunteer leaders, if needed
 - b. Finalize project schedule if not done yet, including contractors and volunteer days
- 12) Contractor work
 - a. Determine Contractor work schedule
 - b. Ensure safety of students, school staff, general public, etc.
 - c. Monitor contractor work as needed
 - d. Site visits as needed
 - e. Ask Inspector/District Manager/Engineer to attend if their expertise is needed
- 13) Volunteer Day(s)
 - a. Determine when volunteer day(s) will be held
 - i. Notify Ryan so he can notify Board of Directors
 - b. Assist with planning (number of volunteers, equipment, materials, etc.)
 - c. Ensure safety of volunteers
 - d. Remind school to use "Volunteer Sign In Sheet" and "Waiver of Liability and Release" Forms
- 14) Final site visit
 - a. Must include school representative who can sign "Statement of Completion and Final Acceptance" to attest that school is satisfied with project
 - b. Ask Inspector/District Manager/Engineer to attend if their expertise is needed
- 15) Staff follow up to ensure that school/project manager submits Final Project Report
 - a. Schools that do not submit will not be eligible for another project
 - b. Includes any additional donations, volunteers, businesses that helped project
 - c. Includes "Volunteer Sign In Sheet" and "Waiver of Liability and Release" forms

Hawaii 3R's will also continue to help the schools develop lasting partnerships with businesses and other organizations within the community. These partnerships ultimately help the school, but also help the community give back to the schools.

2. The applicant shall provide a projected annual timeline for accomplishing the results or outcomes of the service

Hawaii 3R's has four rounds of grants applications per year to coincide with school scheduled vacations. It is during the vacations that most of the work takes place on school campuses to provide safety for students and staff, and to provide the easiest work environment for contractors. Applications are reviewed by the Technical Review Committee and approved by the Board of Directors quarterly. Therefore, projects are ongoing throughout the year, as funding and the school schedule allows.

3. The applicant shall describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results

Hawaii 3R's has the organizational and operational structure to provide quality assurance and evaluation of project success. Along with the formal application process and the Technical Review Committee and Board of Directors, Hawaii 3R's partnership with the DOE ensures that all state specifications will be followed in the construction process.

Also, once the project is completed, there is post project reporting requirements and a survey to ensure that any lessons learned are documented for the future. For example, contractors who do not perform satisfactorily are prohibited from working on future Hawaii 3R's projects.

In addition, Hawaii 3R's has internal controls in place that do not allow checks to be signed by staff. Checks less than \$5,000 can be signed by just the Treasurer, but checks over that amount must be also signed by the Chairman or Board Secretary.

Finally, Hawaii 3R's works closely with its auditor to ensure that all revenues are tracked and expenditures are proper.

4. The applicant shall list the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.
 - 1) Number and dollar amount of grants awarded
 - 2) Estimated cost of projects completed
 - 3) Number of new applicants (schools that have never applied before)
 - 4) Percentage of administrative expenses versus total expenses

III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.

Budget forms are attached

2. The applicant shall provide its anticipated quarterly funding requirements for the fiscal year 2014.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$250,000	50,000	50,000	50,000	400,000

3. The applicant shall provide a listing of all other sources of funding that they are trying to obtain for fiscal year 2014.

Hawaii 3R's has embarked on a comprehensive private fundraising campaign including board giving, direct mailings, corporate funding, foundation grants, public-private partnerships, community partnerships, and State grants.

Hawaii 3R's will be applying for another State GIA (in a separate application), but for CIP funds. These funds will be used as construction funds for grants for schools to accomplish minor repair and maintenance projects. These CIP funds will not be used to benefit Hawaii 3R's directly.

4. The applicant shall provide a listing of all state and federal tax credits that have been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

Hawaii 3R's has not applied for any State or federal tax credits.

IV. Experience and Capability

A. Necessary Skills and Experience

Hawaii 3R's has an extensive and proven track record from its results for the past ten years. Hawaii 3R's has completed a myriad of different projects in all areas statewide, while saving the State over \$43 million. Along with this experience and expertise, Hawaii 3R's has the organizational and operational structures in place to provide the necessary skills and experience. The Hawaii 3R's Board of Directors is made up of experienced and knowledgeable members of the community, including former State Senator Norman Sakamoto and Assistant DOE Superintendent Ray L'Heureux. As mentioned earlier, Hawaii 3R's also has a Technical Review Committee that is made up of architects, engineers, and other experts.

Hawaii 3R's currently has one full-time employee and one part-time employee to operate all aspects of the program and handle all the responsibilities of community involvement, school communication, assist with the application process, construction management, volunteer monitoring, final project completion reporting, processing and paying invoices, and tracking budget and accounting figures. Qualifications are discussed in the Personnel section.

B. Facilities

Hawaii 3R's currently leases office space in downtown Honolulu in the Dillingham Transportation Building, which is part of the Pacific Guardian Center. This office provides adequate space for the program's activities. The facilities meet all ADA guidelines.

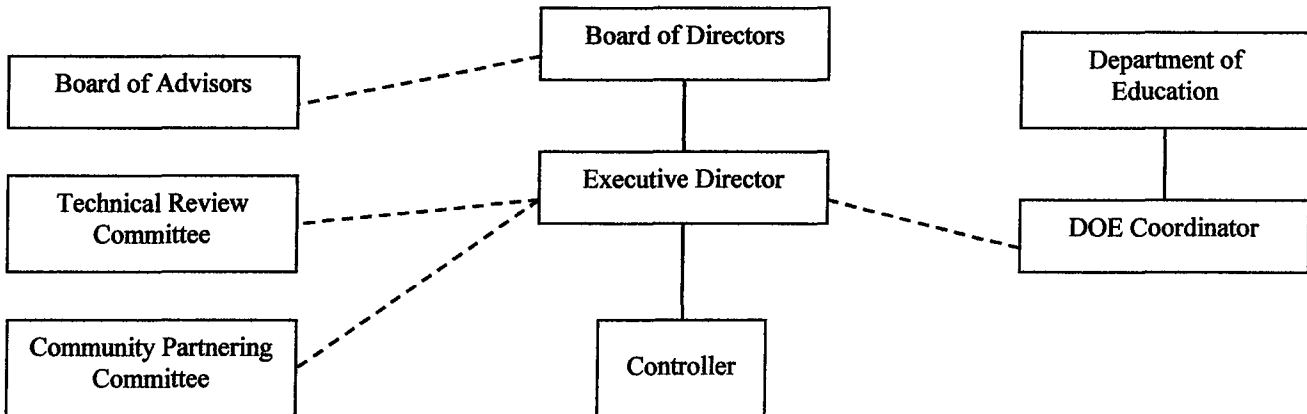
V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

The Executive Director, Ryan Shigetani, has worked with Hawaii 3R's from its inception in 2001, initially in the DOE Coordinator position, until he became the Executive Director on January 1, 2006. Prior to that, he worked at the Legislature as a budget analyst and capital improvement projects analyst. He has also worked for the Department of Budget and Finance, the Department of Health, and the Office of Hawaiian Affairs.

The Executive Director is the direct supervisor of the Controller. The Controller is a certified public accountant and performs the all internal accounting functions needed by the organization. The Controller is also responsible for the administrative duties previously accomplished by the Executive Assistant position. The Executive Director falls under the supervision of the Board of Directors, which is made up of education and industry professionals, and community leaders.

B. Organization Chart



VI. Other

A. Litigation

Hawaii 3R's is not a party to any past or pending litigation.

B. Licensure or Accreditation

Hawaii 3R's is a 501(c)(3) organization and is incorporated in the State of Hawaii.
Hawaii 3R's is registered with the Office of the Attorney General.

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2013 to June 30, 2014)

Applicant: HAWAII 3R'S

BUDGET CATEGORIES	Total State Funds Requested (a)	Federal Native Haw'n. Ed. Act (b)	Federal Dept. of Defense (c)	Private & Other (d)
A. PERSONNEL COST				
1. Salaries	60,000	0	0	44,000
2. Payroll Taxes & Assessments	6,000	0	0	2,000
3. Fringe Benefits	18,000	0	0	4,000
TOTAL PERSONNEL COST	84,000			50,000
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island	2,000			
2. Insurance	8,000			
3. Lease/Rental of Equipment	2,800			
4. Lease/Rental of Space	8,000			
5. Staff Training	1,500			
6. Supplies	1,000			
7. Telecommunication	1,000			
8. Utilities	2,200			
9 Professional Fees (Auditor, etc.)	13,000			
10 Parking/Mileage	1,500			
11 Other miscellaneous				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	41,000			
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. PROJECT (CONSTRUCTION) COSTS	275,000	0	0	200,000
TOTAL (A+B+C+D+E)	400,000			250,000
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	400,000	HAWAII 3R'S (808) 521-5525		
(b) Federal NHEA	0	Signature of Authorized Official _____ Date _____		
(c) Federal DOD	0			
(d) Private & Other	250,000	RYAN T. SHIGETANI / EXECUTIVE DIRECTOR		
TOTAL BUDGET	650,000	Name and Title (Please type or print)		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: HAWAII 3R'S

Period: July 1, 2013 to June 30, 2014

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
NONE			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
NONE			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant: HAWAII 3R's

Period: July 1, 2013 to June 30, 2014

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2011-2012	FY: 2012-2013	FY:2013-2014	FY:2013-2014	FY:2014-2015	FY:2015-2016
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:	0	0	0	0	0	0
JUSTIFICATION/COMMENTS:						
Not Applicable						

**DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAI'I REVISED STATUTES**

The undersigned authorized representative of the applicant acknowledges that said applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to section 42F-103, Hawai'i Revised Statutes:

- (1) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
- (2) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
- (3) Agree not to use state funds for entertainment or lobbying activities; and
- (4) Allow the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.

In addition, a grant or subsidy may be made to an organization only if the organization:

- (1) Is incorporated under the laws of the State; and
- (2) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.

Further, a grant or subsidy may be awarded to a non-profit organization only if the organization:

- (1) Has been determined and designated to be a non-profit organization by the Internal Revenue Service; and
- (2) Has a governing board whose members have no material conflict of interest and serve without compensation.

For a grant or subsidy used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

HAWAII 3R'S

(Typed Name of Individual or Organization)



Ryan T. Shigetani

(Typed Name)

January 30, 2013

(Date)

Executive Director

(Title)