

House District 3

Senate District 2

**THE TWENTY-SEVENTH LEGISLATURE
APPLICATION FOR GRANTS AND 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): _____

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:

Dbas: Volcano Art Center

Street Address: 19-4074 Old Volcano Road

Mailing Address: PO Box 129
 Volcano, Hawaii 96785

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name HUGH JENKINS

Title Board Chair, President

Phone # 808-775-9729 808-896-4990

Fax # _____

e-mail hujenkins@hawaiiantel.net

3. TYPE OF BUSINESS ENTITY:

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

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

 SUBSIDY REQUEST FOR ACQUISITION OF CLASSROOM AND WORKSHOP TOOLS

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2015: \$ \$30,000

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 \$ _____

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ _____

[Redacted Signature]

 HUGH JENKINS, PRESIDENT, BOARD CHAIR

 1-30-2014

AUTHORIZED SIGNATURE

NAME & TITLE

DATE SIGNED

Application for Grants and Subsidies

If any item is not applicable to the request, the applicant should enter "not applicable".

I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Include the following:

1. A brief description of the applicant's background;

The Volcano Art Center (VAC) is a not-for-profit organization now in its 40th year of providing programs and art opportunities to Big Island residents and visitors. VAC's mission is to promote, develop, and perpetuate the artistic and cultural heritage of Hawai'i's people and environment through activities in the visual, literary and performing arts.

2. The goals and objectives related to the request;

The goal of this request is to equip the existing Hale Ho'omana building with the basic tools to support a range of teaching programs that will serve a diverse population of Hawai'i residents and visitors.

The objectives are to provide a variety of learning opportunities and build self-sustaining programs for beginners and professional artists, drawing from the talent pool of recognized artists on the Big Island and invited artists from other places for their teaching expertise.

3. The public purpose and need to be served;

As a recognized leader for the arts and as an important community center for the residents for rural Volcano, VAC was able to mount a successful capital campaign to build its Niaulani campus in 2008-2010. The campus includes its administrative offices and the separate Hale Ho'omana building intended for programs and workshops. The equipment for which funds are being requested is basic, specialized tooling that will support the development of programs in woodworking, hot and cold glass working, metalwork, ceramics, fiber and painting at Hale Ho'omana. Outside of higher education facilities, this equipment is generally not available or affordable to the interested public for exploration of these media. This project will provide opportunities for anyone to access this equipment in a safe, supported, and educational setting.

4. Describe the target population to be served;

VAC will be reaching out to a wide range of people, mostly resident on the Big Island but not restricted to that. We will provide for a wide age range from children to retired adults, and include specific programs for family participation, the primary attribute being an interest in art as personal expression and the desire to grow through exposure to excellence in teaching and facilities. We have the expertise in the community and through professional art organizations to provide programs for all levels from introductory to career artists.

5. Describe the geographic coverage.

Since ancient times the Volcano region has been a place of inspiration and creativity for those lucky enough to live here or visit. It continues to be so. This project will speak to that by primarily serving residents of the Ka'u, Puna and Hilo Districts, but also reaching statewide and beyond to those who wish to learn specialized skills in an incomparable environment.

II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

To fulfill this grant we will source out, purchase and install all of the requested tools and supplies. VAC's expert artists, both on the board and in the community will exercise due diligence to ensure purchase of high quality and best priced equipment for the intended use.

As equipment is available, installed and tested, the program coordinator will develop appropriate classes and workshops. We will offer programs to make use of these resources as soon as we can provide for them. We will encourage the community use of the facilities whenever scheduling and supervision is possible.

Instructors will be selected from the Volcano and Big Island when possible, many of whom have already expressed a desire to support this portion of the VAC mission of education. We will be inclusive of kumu in Hawai'i's cultural arts as well.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

Within a 60 day period of funding approval, we will select final suppliers and order the specified tooling. Installation will occur as items arrive and are needed for use.

Developing appropriate programs and attracting participants will be in process as soon as we are notified that the funding is awarded and available. We expect to have the programs that will be supported by equipment outlined in this funding proposal be up and running by the end of 2014.

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

Our philosophy is to only do something if we can do it well. We are in the process of filling an educational program coordinator position. This person will be responsible for developing, scheduling and monitoring the classes and programs at Hale Ho'omana that will utilize the equipment for which funds are being requested, along with those already underway. All of our programs already have a review and evaluation phase for feedback by participants and providers. Instructors will be observed for effectiveness and maintenance of a safe and appropriate use of tools and materials. Written evaluations will be made at the end of each class or workshop activity.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency).

The extent to which we meet the budget goals of this proposal will be one measure of our follow through. We will record and report the number of participants we attract and serve, plus the number of continuing and repeat enrollments as key measures of our community impact and effectiveness. The number of additional programs will be reported as evidence of the increased breadth of our instructional offerings. We will also record for future planning what ages and levels of expertise take advantage of the new opportunities.

While difficult to quantify as direct result of our expanded programs, we will be observant of the increased traffic to the Nialani campus, the increase in membership and donations from program visitors, and the general community response to our new activities. We will record anecdotal comments which have an evaluative content.

III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2015.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$30,000				

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2015.

We will seek funding from other sources to provide the operating support for the programs that will be developed with the support of this requests equipment funding. Those sources include:

- Friends of Hawaii's Charities for scholarship aid for needy students
- The Atherton Family Foundation for general operational support
- The Hawaii State Foundation on Culture and the Arts for marketing and artistic fees for instructors

4. The applicant shall provide a listing of all state and federal tax credits it has 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

Not applicable.

5. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2013.

See attached current bank statement for December 31, 2013

IV. Experience and Capability

A. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request.

The Volcano Art Center has been offering education programs in the arts for the past 40 years, starting with photography workshops in the early 1970s right up to

the present. It has developed a wealth of artistic and technical talent from which it can draw for program development, instruction, and proper use and upkeep of equipment. Funding in support of these programs over the past three years has come from the Hawaii Tourism Authority, the County of Hawaii, the State Foundation on Culture and the Arts, the Hawaii Community Foundation, the Atherton Family Foundation, the Cooke Foundation, and numerous smaller grants and donations. The Volcano Art Center has been the recipient of three statewide Kahili Awards in recognition of its excellence in programming in past years.

B. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities. The applicant shall also describe how the facilities meet ADA requirements, as applicable.

In transitioning its program phase to a permanent facility in the Volcano Village, VAC completed construction of Hale Ho'omana in 2010. There are four work spaces including a large open room and other rooms which are equipped with water and electric service for different uses. This building was specifically designed for art program use, is in nearly new condition and very under used at this time. Hale Ho'omana is fully ADA compliant with access and facilities requirements.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

Within the membership of VAC and the served population there are professional artists in every proposed medium who have expertise and teaching experience on the state or national level. The current board chairman has 26 years of studio art teaching and administrative experience at Punahou school in Honolulu. Other members of the board of directors have university and community college teaching experience and have worked for years in administrative positions overseeing artistic programs, funding programs at foundations, performance events and marketing. We are currently working to fill the position of program coordinator who will be responsible for scheduling and administering program enrollment and supervising on a day to day level. The program coordinator will report directly to the ED and be under advisement of the program committee and board of directors.

B. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organizational chart that illustrates the placement of this request.

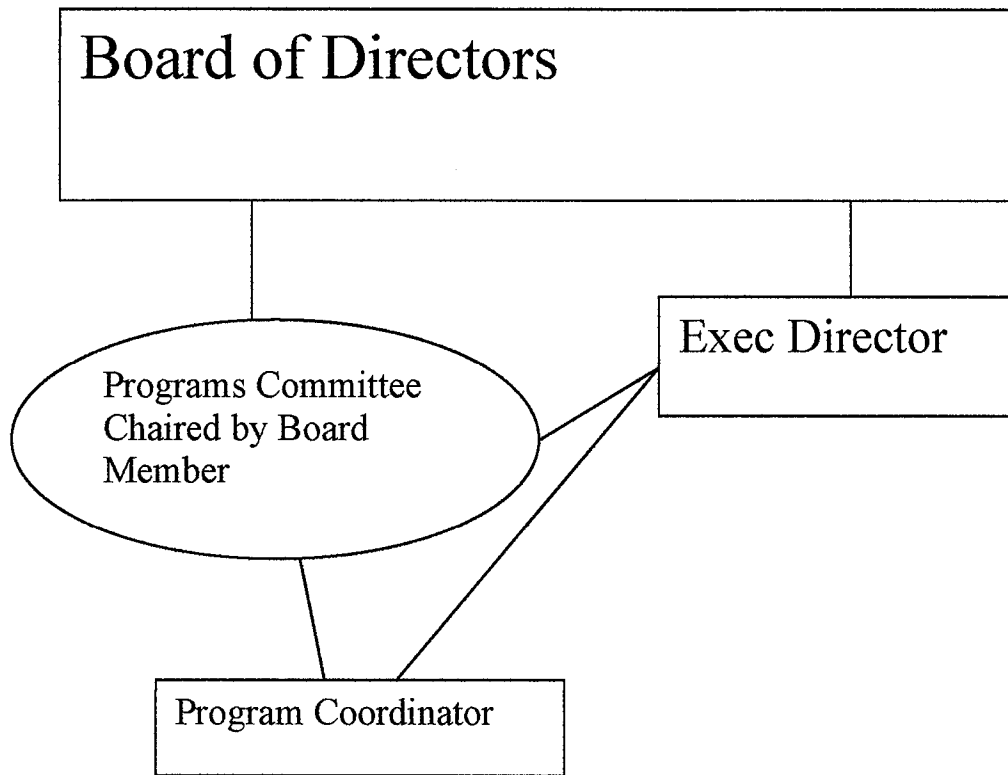
See attached chart.

C. Compensation

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position.

	Interim Director	\$52,000 (FTE)
	Accounting Manager	\$31,200
	Gallery Manager	\$29,000

Organizational chart for Volcano Art Center Programs



VI. Other

A. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement.

No pending litigation

B. Licensure or Accreditation

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request.

Not applicable

BUDGET REQUEST BY SOURCE OF FUNDS

(Period: July 1, 2014 to June 30, 2015)

Applicant: Volcano Art Center

BUDGET CATEGORIES	Total State Funds Requested (a)	VAC Funds (b)	Foundation Grants (c)	(d)
A. PERSONNEL COST				
1. Salaries		211,587		
2. Payroll Taxes & Assessments		36,610		
3. Fringe Benefits		28,896		
TOTAL PERSONNEL COST		277,093		
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island		0		
2. Insurance		15,300		
3. Lease/Rental of Equipment		3,240		
4. Lease/Rental of Space		7,600		
5. Staff Training				
6. Supplies		15,600		
7. Telecommunication				
8. Utilities		18,132		
9. Maintenance fee		11,112		
10. Security		900		
11. Credit card fees		20,400		
12. Artist consignment fees		450,000		
13. CPA/auditor		8,120		
14. Software fees		15,000		
15. Postage & handling		42,000		
16. Printing & publication		19,200		
17. Advertising & promotion-20 events @ \$200		2,000	2,000	
18. Instructor fees-20 events @ \$300		3,000	3,000	
19. Repairs & maintenance		1,800		
20				
TOTAL OTHER CURRENT EXPENSES		633,404	5,000	
C. EQUIPMENT PURCHASES	30,000			
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	30,000	910,497	5,000	
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	30,000	Karen Masaki 808-985-7595		
(b) VAC operating funds	910,497	Phone		
(c) Foundation grants	5,000	1/29/14		
(d)		Signature of Authorized Official Date		
TOTAL BUDGET	945,497	Hugh Jenkins, President Name and Title (Please type or print)		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: Volcano Art Center

Period: July 1, 2014 to June 30, 2015

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Executive Director		\$52,000.00	5.00%	\$ 2,600.00
Accounting Manager		\$31,200.00	5.00%	\$ 1,560.00
Program Coordinator		\$19,000.00	25.00%	\$ 4,750.00
Gallery Manager		\$29,000.00	0.00%	\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
TOTAL:				8,910.00

JUSTIFICATION/COMMENTS:

No funds are being requested for salaries or wages. This is support information only to indicate our anticipated staff allocations for this program.

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Volcano Art Center Period: July 1, 2014 to June 30, 2015

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Glass			\$ 0.00	
Woodworking			\$ 0.00	
Ceramics			\$ 0.00	
Visual art			\$ 0.00	
Metalwork			\$ 0.00	
TOTAL:				30,000

JUSTIFICATION/COMMENTS:

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ 0.00	
			\$ 0.00	
			\$ 0.00	
			\$ 0.00	
			\$ 0.00	
TOTAL:				

JUSTIFICATION/COMMENTS:



**VOLCANO
ART CENTER**
ART • MAN • EARTH

Equipment proposal for Hale Ho'omana art studios

The following categories are in priority order and the specific items are also in priority order within the categories. These items would give us basic facilities which would allow for introductory teaching programs and allow for expansion to more advanced levels over time.

We would need to plan in 10% to 20% for shipping. We will comparison shop when ordering as there are several options for suppliers in all areas.

*Items marked with asterisk are not the most basic needs but add greatly to the versatility of each studio program.

Submitted by Hugh Jenkins, board president, Volcano Art Center

General Shop Equipment (Home Depot, Woodcraft)

Chop saw		200
Belt and disc sander		250
Grinder		100
Band saw		250
Bench vise		100
Heat guns and blow dryers	4 @ 60	240
Work tables, materials	2	200
Large shop vacuum		250
Rolling racks	4 @ 200	800
Storage cupboards	4 @ 250	1000
*Small welder		400
*Small compressor		350

3840

General safety equipment (Gaspro, HPM)

Face shields	2 @ 25	50
Gloves	4 @ 20	80
Ear protection	2 @ 40	80
Bibs	4 @ 50	200
Safety glasses	8 @ 20	160

570

Paper Making

Blenders	4 @ 40	160
Water pans	4 @ 20	80
Deckels and screens (from shop)	10 @ 5	50
Work tables, materials	2	200
Drying racks	4 @ 60	240

730

Print making (Blick)

Roller press	1 @	1000
Felts and blankets		100
Brayers (ink rollers)	6 @ 15	90
Barrens (for hand rubbing prints)	6 @ 5	30
Work tables, materials	2	200
*Clothesline system (retractable)		200

1620

Drawing and painting (Blick)			
Mounting boards (material)		200	
Clamps	12 @ 10	120	
Stretchers	6 @ 5	30	
Heated pallet for encaustic	3 @ 150	450	
Easels	4 @ 200	800	
Brushes, asst.	50 @ 20	1000	
			2600
Small metals and Jewelry (Rio Grande)			
Saw frames	4 @ 20	80	
Assorted files		200	
Hammers, 2 sizes	4 @ 10	40	
Pliers, various types	12 @ 10	120	
Ring and bracelet mandrels		100	
Bench clamps	4 @ 15	60	
Flex shafts	2 @ 100	200	
Soldering torches	3 @ 100	300	
Melting torch		200	
Polishing lathes	2 @ 350	700	
Drill press, small drill sizes		80	
Small anvils	2 @ 60	120	
Work tables, materials	2	200	
*Lapidary arbors and wheels	2 @ 400	800	
*Rolling Mill (JSP mini)		250	
			3450
Ceramics (Sheffield Pottery)			
Bats for clay projects (materials)		100	
Water buckets	4 @ 10	40	
Work tables, materials	2	200	
Small pug mill or mixer		2000	
Bisque Kiln, Paragon or build		1800	
Potters wheels, Pacifica GT400	4 @ 800	3200	
			7340
Stained Glass (Delphi glass supply)			
Glass hand tools (set per student)	4 @ 20	80	
Tables (materials to make)	2	200	
Safety break system	4 @ 20	80	
Edge grinder	2 @ 80	160	
Soldering irons	4 @ 40	160	
Cleaning brushes and sponges		50	
*Glass cutting saw		400	
*Fusing oven		400	
			1530
Black Smithing (Centaur forge)			
Forge (materials to build)		1400	
Anvils	2 @ 800	1600	
Hammers, 6 assorted weights		400	
Tongs	4 @ 30	120	
Gloves	4 @ 30	120	
Work table		100	
*Acetylene torch		600	
			4340
Shipping and installation hardware			4030
			30,000



Statement of Account
Bankohana

Last statement: November 30, 2013
This statement: December 31, 2013
Total days in statement period: 31

Account: [REDACTED]
Page 1 of 9
Number of Enclosures: (0)

Click here for inserts:
www.boh.com/ebankoh/140_inserts.asp

Direct inquiries to:
888 643-3888

VOLCANO ART CENTER
PO BOX 129
VOLCANO HI 96785

WAIAKEA BRANCH
417 EAST KAWILI ST
HILO HI 96720

Bank of Hawaii

WISHING YOU AND YOUR OHANA PEACE, LOVE AND JOY THIS HOLIDAY SEASON
AND THROUGHOUT THE NEW YEAR. THANK YOU FOR BANKING AT BANK OF
HAWAII. MEMBER FDIC.

Bankohana Business \$50,000

Account number	[REDACTED]	Beginning balance	\$86,954.48
Low balance	\$76,847.71	Total additions	138,041.07
Average balance	\$92,525.18	Total subtractions	<u>112,936.92</u>
		Ending balance	<u>\$112,058.63</u>

VAC

DECLARATION STATEMENT OF APPLICANTS FOR GRANTS AND SUBSIDIES PURSUANT TO CHAPTER 42F, HAWAII REVISED STATUTES

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) 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;
 - b) Complies 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;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows 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.

- 2) The applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) 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.

- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants or subsidies 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.

Volcano Art Center



(Signature)

1-31-2013

(Date)

Hugh Jenkins

President, Board Chairman

(Typed Name)

(Title)