

House District 27

Senate District 13

THE TWENTY-EIGHTH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST – OPERATING

GRANT REQUEST – CAPITAL

"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.

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

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:
REHABILITATION HOSPITAL OF THE PACIFIC
Dba:

Street Address:
226 N. KUAKINI STREET, HONOLULU, HI 96817

Mailing Address:
226 N. KUAKINI STREET, HONOLULU, HI 96817

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name TIMOTHY J. ROE, M.D.

Title PRESIDENT AND CHIEF EXECUTIVE OFFICER

Phone # 808-544-3301

Fax # 808-544-3335

E-mail TROE@REHABHOSPITAL.ORG

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL
- OTHER

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

INFRASTRUCTURE IMPROVEMENTS TO ENSURE THE HEALTH AND SAFETY OF THE PATIENTS AND STAFF OF REHABILITATION HOSPITAL OF THE PACIFIC

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2017: \$ 900,000

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 \$ _____

Wendy Manuel, Vice President and CFO
NAME & TITLE

1/21/16
DATE SIGNED



RECEIVED
1/21/16 *WJM*

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Attachments:

- Budget forms
- Certificate of Good Standing
- Declaration Statement

Application for Grants

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. Please include the following:

1. A brief description of the applicant's background

Rehabilitation Hospital of the Pacific (REHAB Hospital) is a 501(c)(3) non-profit organization. We provide comprehensive physical and cognitive rehabilitation to individuals that have experienced spinal cord injury, traumatic brain injury, stroke, amputation, complex surgery, serious illness or injury or other trauma. Each year we serve over 9,000 individuals at our inpatient hospital, outpatient and physicians clinic, some of them faced with the most daunting and life-changing challenges of their lives.

2. The goals and objectives related to the request

The goal of this project is to make infrastructure improvements that are necessary due to the age and condition of the facility, to remain in compliance with building code requirements, and ensure the emergency preparedness of the facility for the health and safety of our patients, staff and visitors. REHAB Hospital has an average daily census of approximately 60 patients, and has approximately 470 clinical and administrative employees at work. The safety and security of our patients, visitors and staff is always a critical priority of REHAB Hospital.

The facility was built in stages over the past 60 years, and some of the areas of the facility are from the original construction in 1953. The project objectives are to complete the following improvements to the facility:

Elevator retrofits (\$500,000) – REHAB Hospital has five elevators that were installed or last upgraded between 1989 and 1995. This project will modernize no less than two of the elevators leading to the patient floors, by increasing their efficiency and reliability. Ultimately we intend to modernize all five of the patient serving elevators.

Water main replacement (\$150,000) - All domestic water lines from the water meter to the building are at varying degrees of corrosion as a result of age and wear. The normal lifespan of the pipes are up to 40 years, and replacement will reduce the probability of future water main breaks on site.

Air handlers replacement (\$150,000) – The Nuuanu Specialty Clinic’s air conditioning system is currently independent from the main facility, and needs to be replaced and incorporated with a newly installed chiller unit. This will result in greater energy efficiency and reliability.

Domestic booster pump replacement (\$100,000) - The current water booster system is over 30 years old, and a motor that raises the water pressure coming into REHAB Hospital is failing. Use of water is key to the safety, sustenance and treatment of patients. Replacement of the booster pump will ensure the water pressure is stable for several decades into the future.

3. The public purpose and need to be served

REHAB Hospital contributes significantly to the public good:

Essential medical services. REHAB Hospital is the sole Inpatient Rehabilitation Facility¹ (IRF) in the state of Hawaii, and an essential part of the continuum of medical care of Hawaii residents. Without REHAB Hospital, residents with serious illness or injury and are in need of comprehensive inpatient rehabilitation services would have to be transported to the mainland for care, or forego the care they require to recover to their full potential.

Enables elderly and disabled to live more independently. Intensive and comprehensive rehabilitation services can help to facilitate the healing process by significantly improving a patient’s self-help, mobility, and communication skills so that they can return home as independent as possible. For the newly disabled in their young adulthood, comprehensive and intensive rehabilitation is crucial to recovering to their fullest potential, so they can continue to live productive and meaningful lives. For elderly patients, acute rehabilitation services can assist them to age in place independently, with their best quality of life possible.

Reduces the need for government and private support services and benefits. The more independent and self-sufficient elderly and disabled residents can live, the fewer support services they will require from caregivers, government and private organizations, including skilled nursing facilities, caregivers, in home meals and transportation.

Rehabilitation provided to residents with insufficient medical coverage. Over the past five years REHAB Hospital has provided over \$2 million in financial assistance to the residents of Hawaii. This financial support enables Hawaii residents that do not have sufficient insurance to receive the medical rehabilitation services they require to recover to their greatest potential.

¹ This designation is made by the U.S. Dept. of Health and Human Services, Centers for Medicare and Medicaid Services.

4. Describe the target population to be served

Patients are admitted to REHAB Hospital to help them recover from a range of conditions that impact their independence and functioning. There are no other organizations in the state qualified to provide intensive acute inpatient rehabilitation services. On average, the patient mix includes:

- 20% of patients have experienced severe accident or illness, including spinal cord injury, traumatic brain injury, major multiple trauma (typically from recreational or vehicular accident), or amputation.
- Almost 40% of patients require rehabilitation for orthopedic conditions such as knee or hip replacement surgery.
- Almost 30% of patients have experienced a stroke or other neurological condition that has impacted their physical or cognitive abilities.
- The remaining 10% include a variety of conditions such as recovery from cancer treatment, cardiac surgery and acute infection.

Characteristics of REHAB Hospital's patient population include:

- *Elderly* - About 60% of our patients are 65 and older, and the need for acute rehabilitation is anticipated to increase among this age group: Hawaii residents enjoy the longest life expectancy in the country², and by 2030 the U.S. Census Bureau estimates that one in four residents will be an elder. The effects of aging can make a simple injury more complex, and rehabilitation can help them age in place longer, and with a better quality of life.
- *Adults and youth* - Unanticipated injuries from car, work or sports accidents (spinal cord injury, traumatic brain injury, amputation, fracture etc.), or illnesses (cancer, infection, cardiovascular, stroke) strikes patients of all ages. Patients with spinal cord and traumatic brain injuries are typically younger, and rehabilitation is crucial to helping them adapt to challenges and help them to live productively for the rest of their lives.

5. Describe the geographic coverage

As the only rehabilitation hospital in the state, this renovation will *benefit all Hawaii residents* that require acute medical rehabilitation. It is also the closest acute rehabilitation facility for patients from the South Pacific, including Guam, Samoa, and the Federated States of Micronesia.

In addition, approximately 50 patients each year are visitors from around the world that experience a recreational accident or illness while on vacation in Hawaii, and require acute rehabilitation before returning home.

² Lichtenberg, F., "Why Has Longevity Increased More in Some States than in Others? The Role of Medical Innovation and Other Factors," Manhattan Institute for Policy Research, Medical Progress Report No. 4, July 2007.

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

Scope of work. This project is to complete the infrastructure improvements so that the facility can operate at greater efficiency, and remain in compliance with applicable building codes and regulations. REHAB Hospital will retain the services of licensed, experienced contractors for each of the following improvements:

- **Elevator retrofits** – Two elevators will be upgraded and modernized, including the ceiling, cab, hoistway and car doors. Required upgrades will include: adding a rope gripper for the existing geared machine; guard for the snag point in the elevator hoistway; rope guards in the machine room; ADA compliant car and hall signal fixtures; add an emergency communication device with intercom; 48” toe guard for the car; car top handrails; seismic zone 2 items including a counterweight derailment device (ring and string), seismic switch in the elevator machine room and seismic fishplates for the main & counterweight guide rails.
- **Water main replacement** – All domestic water lines from the water meter to the building will be replaced.
- **Air handlers replacement** – The air conditioning system in the outpatient clinic will be replaced, and incorporated with the newly installed chiller unit.
- **Domestic booster pump replacement** – The motor for the water booster will be replaced.

2. Provide a projected annual timeline

Capital Improvements Status and Timeline. The capital improvement projects are proceeding on schedule.

Task	Months											
	1	2	3	4	5	6	7	8	9	10	11	12
Elevator retrofits (2)												
Air handlers replacement												
Water main replacement												
Domestic booster pump replacement												

3. Describe its quality assurance and evaluation plans for the request

The Capital Improvements Planning Committee, consisting of the President & CEO, VP & CFO, Director of Facilities and the Director of Finance and Contracts, is responsible

for monitoring and evaluating the capital improvement projects. Quality assurance includes the following:

- Weekly status meetings between the CEO and Director of Facilities. This will ensure that in the event delays or problems arise during the course of improvements, they are addressed immediately so that the project proceeds as planned.
- Bi-weekly meetings of the Capital Improvements Planning Committee. The Committee discusses the status of the completion of the improvements against the timeline, the budget vs. actual cost analyses by project, approvals of project budgets, contracts and other decisions and any issues that may arise.
- Quarterly reports by the President & CEO to the Board of Directors of REHAB Hospital to ensure that the projects are proceeding in the forecasted timeframe and within the approved budget.
- Ongoing oversight and evaluation of the work of contractors by the Director of Facilities to ensure that construction standards are in compliance with required building codes, and that the facility is being improved per the contractual specifications and plans.
- Weekly status meetings between the President & CEO and Chief Medical Director to ensure that the quality of patient care is not disrupted by the projects.
- Measures to ensure compliance with applicable labor laws and proper documentation of expenditures.

In addition to the evaluation and monitoring of the renovation, the President & CEO, Director of Facilities and VP & CFO work together to ensure that expenses are properly processed on a timely basis, and that the projected expenditures stay within its budget. Each year REHAB Hospital undergoes a financial audit by certified public accountants to ensure that the financial reporting of the organization complies with U.S. Generally Accepted Accounting Principles.

- 4. List the measure(s) of effectiveness that will be reported**
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.

The Capital Improvements Planning Committee monitors the measures of effectiveness, as follows:

- Comparative analysis of the projected timeline of improvements with the actual timeline that objectives are completed. (*See timeline for details.*)
- Inspections to ensure the objectives are completed as required, in compliance with applicable building code, accreditation requirements and contract specifications.
- Ensures that each objective is fully functional before final payment is made to contractors.

III. Financial

Budget

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

The budget forms are included in this request as attachments.

- 2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2017.**

State Quarter 1	State Quarter 2	State Quarter 3	State Quarter 4	Total Grant
	\$300,000	\$300,000	\$300,000	\$900,000

- 3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2017.**

REHAB Hospital will seek support from donors and potentially utilize unrestricted funds to make infrastructure improvements in its fiscal years 2016 to 2017.

- 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.**

REHAB Hospital has not received, applied for, and does not anticipate applying for any tax credits pertaining to the infrastructure improvements in this project.

- 5. The applicant shall provide a listing of all federal, state, and county government contracts and grants it has been and will be receiving for program funding.**

REHAB Hospital was awarded \$500,000 grant from the City and County of Honolulu, Department of Community Services Grant in Aid program in 2014 for capital improvements. These funds will be completely expended in early 2016.

REHAB Hospital was awarded Grant in Aid funds of \$438,000 by the 2015 Hawai'i State Legislature. However, to date these funds have not been released.

- 6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2015.**

REHAB Hospital has approximately \$44.4 million in net assets as of December 31, 2015.

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. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

REHAB Hospital will secure the services of contractors that are duly licensed and experienced to successfully complete the infrastructure improvements and scope of this project.

REHAB Hospital staff responsible for directing the project have the required skills and experience to manage this project. See the qualifications of key staff involved in this project in the section below, *V. Personnel: Project Organization and Staffing*.

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 main facility of REHAB Hospital is a licensed 70-bed inpatient hospital in Nuuanu. In this four story facility, the three top floors house inpatient services. Each floor has therapy gyms, medication rooms and common areas, in addition to the private and semi-private patient rooms.

REHAB Hospital also has four clinics: a Nuuanu specialty clinic and the Physicians clinic located on the first floor of the main facility, an Aiea outpatient clinic at Pearlridge, and a Hilo outpatient clinic. All facilities are ADA compliant.

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.

REHAB Hospital will retain the services of licensed, experienced contractors to complete the infrastructure improvements detailed in this proposal. REHAB Hospital personnel directly involved in supervising and directing this project include the following:

Timothy J. Roe, MD, MBA, President and Chief Executive Officer (CEO) is responsible for communicating with the Board of Directors regarding all pertinent renovation related activities and serves as their fiduciary agent regarding all renovation-related matters. Dr. Roe also serves on the Capital Improvements Planning Committee. Dr. Roe has previous experience with the planning and construction of healthcare facilities at St. Joseph Regional Rehabilitation Center.

Wendy Manuel, CPA, Vice President and Chief Financial Officer (CFO), is responsible for overseeing all matters relating to capital planning and funding for the capital improvement projects. She also manages the hospital's financial relationships with REHAB Foundation, its banking partners, and its vendors and suppliers. She oversees REHAB's financial operations including revenue cycle, cash flow, assets and liabilities and serves on the Capital Improvements Planning Committee. She has more than twenty years of experience in public accounting including internal and external audit responsibilities involving multiple major healthcare systems in Hawaii.

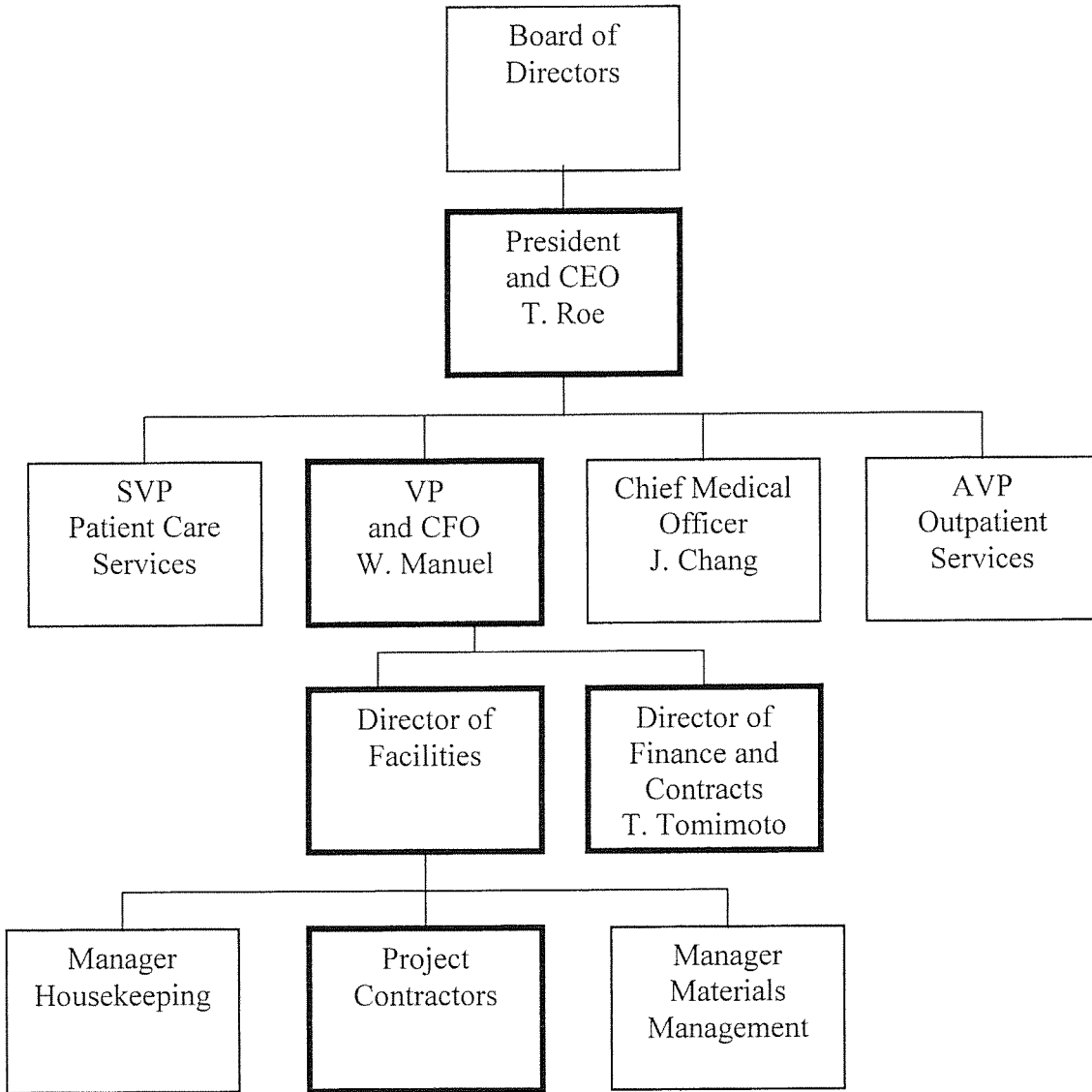
Director of Facilities is responsible for reviewing the specifications of equipment installed and improvements made during the capital improvements projects, particularly owner-installed improvements. The Director of Facilities also coordinates access to the property for all contractors involved and ensures that the improvements are not disruptive to the ongoing care of patients. REHAB Hospital is currently recruiting a qualified and experienced candidate to fill the position which was vacated in January 2016.

Ty Tomimoto, Director of Finance and Contracts, is responsible for reviewing budgetary items related to the project, in particular the invoices and change proposals submitted by the contractors, and ensuring that they are consistent with the various contracts executed on behalf of REHAB Hospital. He reviews all contractual agreements, assists with the development and revision of the master budget and the master timeline and serves on the Capital Improvements Planning Committee.

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 organization chart that illustrates the placement of this request.

Project Organizational 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.

Compensation for the three highest paid staff for calendar year 2015:

EMPLOYEE	GROSS WAGES
Timothy J. Roe, President and Chief Executive Officer	\$395,677
Jason C. Chang, Chief Medical Director	\$189,000
Wendy K. Manuel, Vice President and Chief Financial Officer	\$187,000

VI. Other

A. Litigation

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

REHAB Hospital does not have any outstanding judgments, and there are no pending litigations of a substantive nature that would impact the stability of the organization or be material to the renovation project.

B. Licensure or Accreditation

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

REHAB Hospital is the sole organization in the State of Hawaii that is qualified as an Inpatient Rehabilitation Facility by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. It is also certified as a 90-bed facility by the Hawaii State Health Planning and Development Agency (SHPDA), is licensed for 70 beds by the Hawaii State Department of Health and accredited by The Joint Commission, a nationwide program that certifies the quality of healthcare facilities. These special qualifications make REHAB Hospital the only organization in Hawaii that is qualified to treat patients in need of acute medical rehabilitation as a result of serious accident or illness.

REHAB Hospital is a 501(c)(3) non-profit organization as determined by the IRS.

C. Private Educational Institutions

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see Article X, Section 1, of the State Constitution for the relevance of this question.

Not applicable.

D. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2016-17 the activity funded by the grant if the grant of this application is:

(1) Received by the applicant for fiscal year 2016-17, but

If funding is received in the fiscal year 2016-17, the Facilities Department of REHAB Hospital will maintain the improvements. Maintenance is supported by general operating funds.

(2) Not received by the applicant thereafter.

No large capital funding will be necessary for maintenance, and the improvements will reduce the time and expense of ongoing repairs and maintenance.

E. Certificate of Good Standing (If the Applicant is an Organization)

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2015.

A Certificate of Good Standing from the Director of Commerce and Consumer Affairs is included as an Attachment to this application.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2016 to June 30, 2017

Applicant: Rehabilitation Hospital of the Pacific

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	900,000			
TOTAL (A+B+C+D+E)	900,000			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	900,000	Wendy Manuel	808-566-3881	
(b) Total Federal Funds Requested	0		Phone	
(c) Total County Funds Requested	0		1/21/16	
(d) Total Private/Other Funds Requested	0		Date	
TOTAL BUDGET	900,000	Wendy Manuel, VP and CFO Name and Title (Please type or print)		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2016 to June 30, 2017

Applicant: Rehabilitation Hospital of the Pacific

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Not applicable			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:			\$ -	
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
Not applicable			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:			\$ -	
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2016 to June 30, 2017

Applicant: Rehabilitation Hospital of the Pacific

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED FY: 2016-2017	OF FUNDS REQUESTED FY: 2016-2017	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2014-2015	FY: 2015-2016			FY: 2017-2018	FY: 2018-2019
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION		\$438,000	\$900,000			
EQUIPMENT						
	TOTAL:	\$438,000	\$900,000			
JUSTIFICATION/COMMENTS: The \$438,000 awarded in the 2015 Legislature Grant in Aid program has not been released. Retro Fit for Elevators \$500,000; Replace Facility Water Main \$150,000; Air Handlers to Replace Package Units at Nuuanu Clinic \$150,000; Replace Domestic Booster Pump \$100,000.						

GOVERNMENT CONTRACTS AND / OR GRANTS

Applicant: Rehabilitation Hospital of the Pacific

Contracts Total:

500,000

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	Grant in Aid	10/1/2014 - 2/31/2016*	Dept. Community Services	Honolulu County	500,000
2					
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*Estimated closing date

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS 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 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 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 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.
- 2) If the applicant is an organization, 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 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 used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant 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 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.

Rehabilitation Hospital of the Pacific

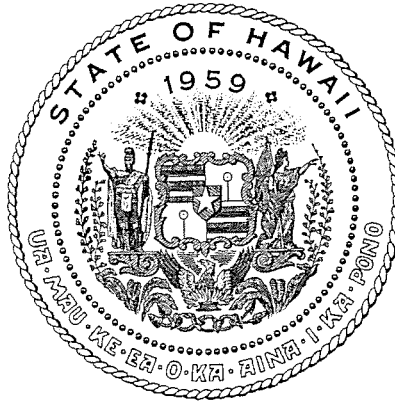
(Title)

1/21/16

(Date)

Wendy Manuel
(Typed Name)

Vice President and Chief Financial Officer
(Title)



Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

THE REHABILITATION HOSPITAL OF THE PACIFIC

was incorporated under the laws of Hawaii on 08/13/1975 ;
that it is an existing nonprofit corporation; and that,
as far as the records of this Department reveal, has complied
with all of the provisions of the Hawaii Nonprofit Corporations
Act, regulating domestic nonprofit corporations.

IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the seal of the
Department of Commerce and Consumer
Affairs, at Honolulu, Hawaii.

Dated: January 18, 2016

Director of Commerce and Consumer Affairs

