

House District 47
Senate District 23

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

Log No:

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST – OPERATING

X 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:
Ko'olauloa Community Health and Wellness Center
Dba: Ko'olauloa Health Center
Street Address: 54-316 Kamehameha Hwy, Hau'ula, HI 96717
Mailing Address: P.O. Box 395, Kahuku, HI 96731

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name TERRENCE ARATANI
Title Chief Executive Officer
Phone # 808-375-3192
Fax # 808-293-5390
E-mail taratani@koolauloachc.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:

4. FEDERAL TAX ID #: [REDACTED]
5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2018: \$ 525,000

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 \$ 162.00
FEDERAL \$ 1,360,765
COUNTY \$ _____
PRIVATE/OTHER \$ _____

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[REDACTED]

AUTHORIZED SIGNATURE

TERRENCE H. ARATANI, CHIEF EXECUTIVE OFFICER
NAME & TITLE

01-19-17
DATE SIGNED



RECEIVED
1/19/17

Application for Grants and Subsidies

I. Background and Summary

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

Ko'olauloa Health Center (KHC) was organized in 2003 by community members in response to the need for affordable, quality, culturally appropriate health care for the residents of Ko'olauloa. Since opening its doors thirteen years ago as a Federally Qualified Health Center (FQHC), it has been making attempt to increase the number of residents served as well as expanded its services to address the unique needs of the residents in the community. For example, KHC is the only dental provider in the region. Over the past three years, on average, KHC has served 5,700 patients through 18,000 encounters per year.

KHC is one of three organizations in the 35-mile service area of Ko'olauloa that provides primary medical services. Of the three, KHC is probably the only one that accepts all patients, regardless of ability to pay. This area *has the greatest shortage of primary medical doctors and dentists in the entire State of Hawaii*, as determined by the U.S. Department of Health and Human Resource, Health Resources Services Administration (HRSA).

2. The goals and objectives related to the request;

Goals and objectives. The goal for this project is to construct a facility for KHC in the Hau'ula region so that it can continue to meet the needs of the community by providing comprehensive quality health care by the residents of Ko'olauloa. Currently, KHC is leasing clinical and office space at the Hau'ula Kai Shopping Center. KHC has agreed to partner with the Hau'ula Community Association (HCA) to build a multi-use facility. KHC is on a month-to-month lease with the Weinberg Company, and we would have to vacate on one month's notice with no other commercial space in the area to accommodate the current needs.

The objective is to construct a new structure at 54-256 Hau'ula Homestead Road that was transferred from the State to the City and County of Honolulu by an executive order for park use. The City and the State are both aware of the desire to construct a facility and other appurtenances that will benefit the community and the region in the future. Both KHC and the HCA have met with officials to request leasing of the property from the State. At this time, an environment assessment must be performed before the State will rescind the Executive Order and consider leasing to KHC.

Our vision is to have several nonprofits establish services that will compliment a primary care clinic including social and economic support. HCA would like to develop . The additional space will allow for increases in providers including

dentists. Currently, KHC does not have space for dental chairs at its Hau'ula Clinic. Space for preventive care is also included in the current plan. In addition, due to the site being away from the tsunami zone, the facility will be designed to serve as a shelter and evacuation site for disasters.

The primary goal is to expand our services and allow greater access to health care services to meet the current and future needs of the community.

3. State the public purpose and need to be served;

Ko'olauloa was designated a Medically Underserved Area (MUA) by HRSA in 2003, and has the highest Health Personnel Shortage Area (HPSA) scores in the entire state for primary medical and dental care. This means that *the Ko'olauloa community has the most severe shortage of primary care doctors and dentists than any other community in the entire State of Hawaii.*

In addition, over 51% of Ko'olauloa residents live below 200% of the Federal Poverty level, and KHC is the only FQHC in Ko'olauloa, and the only organization that will provide medical, dental, behavioral health and pharmaceutical services regardless of ability to pay. No other organization in the community utilizes a sliding scale fee and has eligibility workers on staff to assist with securing government health insurance and social service benefits.

4. Describe the target population to be served; and

Poverty. Ko'olauloa is home to 21,406 residents.¹ Of these residents, 51% or 9,287 are low/moderate income. However, this statistic is skewed by a small population of high income residents and a large number of vacation rentals in the community. In census tract 102.01 alone, over 57% are low/moderate income residents.² Hau'ula Elementary School comprises of approximately 90% native Hawaiians or other Pacific Islanders and approximately 90% of the student population is on the free/reduced lunch program.

Health disparities. The major health care needs of area residents include asthma, poor dental health, drug abuse, obesity, high teen birth rates, diabetes, stroke, obesity, asthma, low immunization rates, low medical utilization rates, inadequate prenatal care, high percentage of mothers with pre-existing medical conditions, and the need for community based support for the elderly.³ Substance abuse is a continuing concern, with high rates of smoking and binge drinking. These rates are even higher among Native Hawaiians and Pacific Islanders.

KHC patient population. Over 24% of KHC patients are uninsured, and over 40% are insured by government insurance programs (Medicaid/QUEST or

¹U S. Department of Commerce, U.S. Census Bureau, 2010 Census, Summary File 1.

²US Census Bureau, 2010 Census, accessed on the web at www.census.gov.

³State of Hawai'i Primary Care Needs Assessment Databook 2012

Medicare). It is interesting that patients at the Hau'ula Clinic are reluctant to travel to our Kahuku clinics. Although the distance is approximately five miles, there seems to be some kind of social/cultural barrier.

Anticipated population growth. Over the coming years, the population of Ko'olauloa is anticipated to increase, and this will bring an even greater need for quality, affordable healthcare in the area:

- *Turtle Bay* plans an expansion of its facility, including workforce housing for its hotel staff.
- *Brigham Young University (BYU)* is in the process of expanding its campus to double their enrollment and faculty. Although BYU has its own health center, many students and faculty access KHC family planning services and other healthcare needs not covered by BYU health insurance.
- *Hawaii Reserves Inc.* has plans to develop additional residential property in Kahuku.

5. Describe the geographic coverage.

KHC serves the 35-mile coastal north/northeastern shore community of Ko'olauloa on the main island of Oahu. The service area extends from Kualoa to Waimea Bay.

II. Service Summary and Outcomes

1. Scope of work, tasks and responsibilities;

Scope of work and tasks. KHC seeks funding create a health clinic along within a larger community facility on State property situated at 54-256 Hau'ula Homestead Road. The property is approximately 5 acres. The total cost of the project is approximately \$11 million. Current tasks include:

- Conduct an environmental assessment as required by the Department of Land and Natural Resources.
- Possibly conduct an environmental impact statement.
- Select an architect experienced in designing healthcare facilities through a competitive bid process;
- Work in Team fashion with the architect and engineers to develop plans and specifications for the required infrastructure, facility and appurtenances;

Responsibilities. This project will be directed by Chief Executive Officer (CEO) Terrence Aratani working with the KHC Board of Directors and HCA. The CEO will work with the Chief Operations Officer, Bryan Talisayan. Dotty Kelly-Paddock from the HCA will also be involved for input into the community needs for the facility.

The CEO will work with the Chief Financial Officer, to manage the procurement process and ensure that funds are expended on a timely basis and in compliance with applicable County, State and Federal regulations.

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

Timeline	Year 1				Year 2			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Conduct an environmental assessment	x	x						
If required, conduct an environmental impact statement		x	x	x				
Lease negotiations with DLNR			x	x				
Enter into lease with DLNR, subject to BLNR approval			\x	x				
Procure an architect for plans and design			x	x	x			
Complete plans and design				x	x	x		

3. Quality assurance and evaluation plans for the request

The CEO and COO, together with the architect, Quality assurance includes the following:

- Bi-weekly status meetings of the CEO, COO, Dotty Kelly-Paddock and project manager. The group will include the architect once the plans and design phase begins.
- Monthly reports by the CEO to the Board of Directors of KHC and to HCA to ensure that the project is proceeding in a timely manner and notify the board of any unanticipated delays, and ensure that the project falls within the budget and scope approved by the Board of Directors.
- Ongoing oversight and evaluation by the architect.
- Oversight by the Chief Financial Officer to ensure compliance and proper documentation of expenditures and accounting procedures.

In addition to the ongoing monitoring of the project, each year KHC undergoes a financial audit by certified public accountants to ensure that the organization complies with Generally Accepted Accounting Principles.

4. Measure(s) of effectiveness

Effectiveness of this project will be determined by the completion of tasks within the projected timeline and approved budget, as evaluated by the CEO and COO.

III. Financial

Budget

1. Budget

All required budget forms are attached to this request.

2. Quarterly funding requests for the fiscal year 2017-2018

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$25,000	\$50,000	\$150,000	\$300,000	\$525,000

3. Other sources of funding for fiscal year 2015-2016

The total cost of the project is approximately \$15 million, and KHC will aggressively seek funding for the balance from the City and County of Honolulu Community Development Block Grant (CDBG) Program, USDA Rural Development Programs, Harold K. L. Castle Foundation, The Harry and Jeanette Weinberg Foundation and other private sources. KHC will need to have plans and design completed in order to seek other sources of funding.

4. State and federal tax credits

KHC has not applied for or been granted any state or federal tax credits.

IV. Experience and Capability

A. Necessary Skills and Experience

KHC has the skills, abilities, knowledge and experience to successfully implement and complete this project. KHC has renovated existing class rooms at Kahuku High and Intermediate School to be the first school-based student health center in the State of Hawaii.

Board Governance. The Board of Directors has a Building Committee comprised of board members plus the CEO. They will meet at least once a month and are responsible for evaluating all matters regarding facilities, and for reporting to the full Board.

B. Facilities

KHC has expanded over the years, and now operates out of three sites, one is a freestanding structure in Kahuku that KHC owns in fee, a clinic and administrative office leased at the Hau'ula Kai Shopping Center, and the newest addition, the first school-based health clinic in the State located on the campus of Kahuku Middle and High School. These facilities are not sufficient to house all of personnel and resources necessary to provide the medical, dental, behavioral health and enabling services currently needed by the residents of Ko'olauloa. In addition, to better serve the community, the HCA would like to establish a permanent community facility to offer various services within one location.

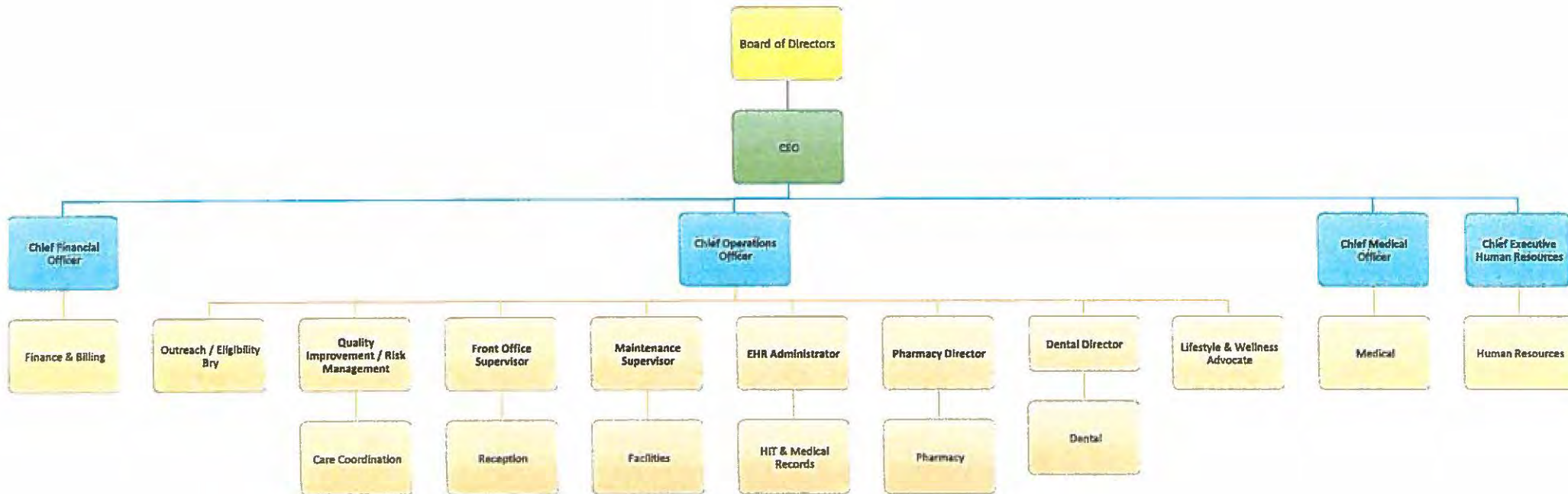
The planned facility will be ADA compliant and will involve clearing the current land, developing infrastructure and building a facility.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

For this project KHC will hire a consultant and architect to conduct the EA, possible EIS and develop the plans and design for the facility, appurtenances and infrastructure. The CEO and COO will coordinate the project with the other parties mentioned.

Ko'olauloa Health Center Organizational Chart



KO'OLAULOA HEALTH CENTER
Be Well, Stay Well.

VI. Other

A. Litigation

There is no litigation at this time.

B. Licensure or Accreditation

KHC is a Federally Qualified Health Center as designated by the U.S. Department of Health and Human Services, Health Resources and Services Administration, and is a nonprofit 501(c)(3) organization as designated by the U.S. Internal Revenue Service.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2017 to June 30, 2019

App

Ko'olauloa Health Center

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. Consultant-EA/EIS	75,000			
10. Architect	450,000			
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	525,000			
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	525,000			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	525,000	Terrence Aratani	375-3192	
(b) Total Federal Funds Requested		Name (Please type or print) Phone		
(c) Total County Funds Requested		Signature of Authorized Official Date		
(d) Total Private/Other Funds Requested		<div style="background-color: black; width: 150px; height: 20px; margin: 0 auto;"></div>		
TOTAL BUDGET	525,000	Name and Title (Please type or print)		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2017 to June 30, 2018

Applicant: Ko'olaupia Health Center

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2017 to June 30, 2018

Applicant: Ko'olauloa Health Center

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: 2015-2016	FY: 2016-2017	FY:2017-2018	FY:2017-2018	FY:2018-2019	FY:2019-2020
PLANS			150000			
LAND ACQUISITION			75000			
DESIGN				300000		
CONSTRUCTION						
EQUIPMENT						
TOTAL:			225,000	300,000		
JUSTIFICATION/COMMENTS:						

GOVERNMENT CONTRACTS AND / OR GRANTS

Applicant: Ko'olauloa Health Center

Contracts Total: 1,545,765

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	330(e) Community Health Center Funding	1/1/2006	HRSA/BPHC	U.S.	1,360,765
2	Primary Care & Dental Uninsured Contract	7/1/2006	DOH	State	150,000 (apx)
3	Family Planning Title X Services	7/1/2006	DOH	State	85,000
5	Grant in Aid	Pending	DOH	State	100,000
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**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS AND SUBSIDIES PURSUANT TO
CHAPTER 42F, HAWAI'I 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, Hawai'i 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, Hawai'i 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, Hawai'i 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, Hawai'i 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.

Ko'olauloa Health Center



Terrence H. Aratani

Chief Executive Officer

(Title)

01-19-17

(Date)