

House District(s) 29

Senate District(s) 13

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

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:

The Mediation Center of the Pacific, Inc.  
Dba:

Street Address: 245 N. Kukui Street Suite 206, Honolulu, HI  
96817

Mailing Address: Same as above

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name TRACEY S. WILTGEN

Title Executive Director

Phone # 521-6767

Fax # 538-1454

E-mail  
tracey@mediatehawaii.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:

PURCHASE A PERMANENT HOME FOR THE MEDIATION CENTER OF THE PACIFIC  
- HALE O PONO.

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2019: \$ \$875,000.00

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- XNEW SERVICE (PRESENTLY DOES NOT EXIST)
- XEXISTING SERVICE (PRESENTLY IN OPERATION)

A PERMANENT HOME WOULD INCLUDE CURRENT  
SERVICES AND NEW SERVICES WOULD BE DEVELOPED.

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

STATE \$ \_\_\_\_\_

FEDERAL \$ \_\_\_\_\_

COUNTY \$ \_\_\_\_\_

PRIVATE/OTHER \$1,008,287.00

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[REDACTED SIGNATURE]

AUTHORIZED SIGNATURE

TRACEY S. WILTGEN, EXECUTIVE DIRECTOR  
NAME & TITLE

1/8/2018  
DATE SIGNED

JAN 8 - 2018 *[Signature]*

**APPLICATION FOR GRANT****I. BACKGROUND & SUMMARY****1. Background**

The Mediation Center of the Pacific (MCP) was founded in 1979 through a grass roots effort to provide a people-centered approach to resolving conflict among neighbors and others in Hawaii with ongoing relationships. MCP was the first mediation program in the State of Hawaii. And while it was modeled after community mediation centers developed across the country, the founders of MCP created a "Hawaii" model of mediation that is culturally sensitive and grounded in the core value of empowering people to find their own creative solutions to the conflicts. The concept and the organization was quickly embraced by Hawaii's communities and replicated on every island. Simultaneously the courts recognized that providing alternate processes to resolving conflict would benefit everyone in Hawaii. Thus, in a very short time, the courts began relying on MCP to address a broad array of issues from small claims matters, landlord-tenant disputes, divorce, custody and more.

Over the past 39 years, MCP has steadily grown and developed processes that help participants work through disputes of all types and meet the unique needs of Hawaii's culturally diverse populations. Parties in conflict are assisted in resolving their immediate dispute, as well as in improving communication and strengthening their relationships for the future. Guided by its mission of providing high quality mediation and dispute resolution services that are affordable and accessible, today MCP assists thousands of people annually.

Last year MCP served 6,146 individuals through its mediation, dispute resolution and training programs. More than half of the people who participated in the 1,232 mediations that were conducted, were in the low-income population. The cases involved divorcing couples, unmarried couples with children, landlords and tenants, consumers and merchants, families caring for elders, parents of children with special needs and schools, employees and employers, and more. By participating in mediation, the individuals in dispute were empowered to resolve their differences by talking it out and negotiating customized agreements that met their specific needs and circumstances. As a result, they stopped fighting and moved on in their lives.

In addition to providing direct mediation and dispute resolution services, MCP has also developed an excellent training program over the years, that trains volunteer mediators to provide the direct services, as well as offers people of every age and from all backgrounds, the opportunity to learn conflict resolution and mediation skills to prevent and resolve conflict quickly, civilly and creatively. While the trainings were initially designed and created to ensure an adequate number of skilled mediators and neutrals were available to support MCP's programs, requests for the trainings have grown to help managers, employees, caregivers, youth and more. Learning conflict resolution and mediation skills empowers individuals to address their own conflicts before they escalate. As a result, youth self-esteem is increased, families are strengthened, workplace productivity is improved, and community collaboration is reinforced.

## 2. Goals and objectives

MCP is requesting a grant to purchase a permanent home that will solidify its position as a central resource for Oahu's communities, particularly for individuals in the low-income populations, and provide it with the needed space to: assist more clients simultaneously and expeditiously; recruit and train more mediators; provide continuing education and mentoring for the volunteers; and serve as a training institute for all members of the community. To do so, MCP needs to raise \$3,000,000.00 to purchase, renovate and move into a permanent home.

MCP provides critical services in Hawaii's communities, helping people to prevent and resolve conflict without fighting or going to court. While people with financial resources can hire private mediators and attorneys to assist them, MCP is the only dispute resolution option for individuals in the low-income and vulnerable populations. The informality and flexibility provided by MCP offers unrepresented litigants a more comfortable approach to resolving their issues. Unlike the adversarial legal process which can be confusing, overwhelming, and alienating, MCP offers a non-threatening setting that encourages creative problem-solving.

In a recent study that was conducted to assess the legal needs of Hawaii's people, it was learned that many people feel confused, overwhelmed, and in many instances, hopeless. Therefore, they will not attempt to get help, much less appear in court even if it means being evicted from their homes. Because MCP offers a more comfortable, less threatening option to court, people are more likely to participate in mediation. Currently more than 97% of MCP's mediation participants report that they would use the process again, irrespective of whether an agreement was reached because it helped them start talking and access the resources they needed to move forward in addressing their issue. Equally important, the customized agreements that are the outcome of many mediations, allow the parties to move beyond conflicts that create strain on their families and drain their finances, eliminating the need for additional services generally subsidized partially or fully by the State.

For all of these reasons, more people are using MCP's services and MCP has assumed a key role in helping to increase access to justice for individuals in the low-income and vulnerable populations. As result of the increased requests for mediation, scheduling mediation sessions takes longer because of current space limitations at MCP's current location. Equally important, even more people would benefit from the services if MCP had a permanent home centrally located, with more mediation rooms outfitted for virtual as well as face-to-face sessions, space to separate high emotion parties, and sufficient office space for a growing staff.

To ensure MCP continues to provide quality services for the growing number of requested mediations and positions itself to assist even more members of Oahu's communities, particularly in the lower-income and vulnerable populations, the Board of Directors conducted an analysis of MCP's finances and operations, as well as the current and future needs of Oahu's communities. Based on MCP's solid financial base, strong leadership, and the fact that a generous supporter of MCP had already created a building fund, it was determined that the most cost-effective solution to ensure the future of MCP, would be to purchase a permanent home where the space could be designed to deliver services quickly, safely and comfortably to a greater number of people than presently served at MCP's current location, as well as provide a dedicated training room where the mediators and members of the community can learn and hone their skills.

To assess the best course of action for achieving this goal, a consultant was hired to conduct a feasibility study. The results from the study reinforced the value of purchasing a permanent home for MCP to ensure services remain available and continue to grow. The study also helped to identify potential sources of funding and establish the necessary steps in the campaign.

With a larger space to conduct more mediations, accommodate more clients comfortably in the waiting room and have a designated space to conduct training and continuing education for the mediators who volunteer their services, MCP will be able to meet the needs of more individuals in the low-income and vulnerable populations. More specifically, MCP will be able to promptly assist more divorcing couples with children, more unmarried couples with children, more families caring for an elder family member and more tenants and landlords, as well as many others. With a permanent home and the increased space and resources to meet these needs, MCP will serve an increased number of people in a timely and efficient manner.

With a dedicated training room, MCP will be able to conduct more trainings simultaneously while providing mediation services. More volunteers will be recruited and trained to provide direct services, increasing MCP's capacity to serve more people and provide more mediation sessions in the areas of divorce, custody, landlord-tenant and family, as well as other areas that involve vulnerable populations such as newly housed homeless and elders. And finally, regular trainings and workshops will be offered for youth, managers, caregivers, non-profit organizations and other members of the community to enable them to be more effective in their respective roles. By providing more people with skills to manage conflict, individuals and communities will ultimately be strengthened.

The goal of the Board of Directors and staff of MCP is to raise the necessary funds to purchase a permanent home for MCP by late 2019. Once the staff has set up operations in the new location, approximately 8,000 people will benefit from MCP's increased capacity in the first year following the relocation and the following outcomes will be achieved: 1) the number of mediators will increase by 20% (from the current 125 to 150); 2) the number of mediators who participate in continuing education workshops and trainings will increase by 50% (from the current 42 to 84); 3) the number of mediations managed will increase by 10% (from 1,793 to 1,972); 4) the number of people served will increase by 40% (from 6,146 to 8,604); and 5) the number of people who participate in trainings will increase by 25% (from 180 to 225).

### **3. Public purpose and need to be served**

Conflict is a fact of life that impacts everyone. The severity of the impact depends on how quickly the conflict is addressed and the approach for resolving it. When conflicts escalate, the damage can be great. For example, the children of divorcing couples who continue to fight are shown to have difficulty in school, suffer from behavior and health issues and more. MCP is a critical resource on Oahu for helping people, particularly those in the low-income populations, to address conflicts quickly and creatively. Through its services, people stop fighting and start talking. As a result, families and communities are strengthened. Strong families and communities enable the children and adults within those families and communities to live healthy successful lives, as well as require fewer social services or other types of support.

To effectively serve the many people who would benefit from participating in mediation or other dispute resolution process, MCP needs a permanent home that stands out in Oahu's communities and is a reflection of MCP's important role in preventing and resolving conflict of all types, particularly in the areas of divorce, custody, family and landlord-tenant matters.

Currently there are more than 4,000 divorces and over 2,500 paternity cases involving custody and visitation issues between unmarried couples, filed at Family Court on Oahu annually. Studies show that children of couples who stop fighting and reach agreements that focus on the needs of the children, successfully adapt to their new living situation. In contrast, children of couples who continue to fight perform poorly in school, are more likely to turn to drugs or become suicidal and have a multitude of other issues. Mediation helps divorcing and unmarried couples stop fighting and reach agreements. Over the past ten years, the number of divorce mediations managed by MCP has increased by more than 20% and the number of custody cases has increased by 50%.

Another important area of need is the prevention and resolution of family conflicts involving the care of an elder family member. The Hawaii life expectancy is longer than any other states. According to AARP Hawaii, private nursing homes in the state charge almost 50 percent more than those in the continental U.S., and home health care costs thousands of dollars more than the U.S. average. Given those major potential costs, most of Hawaii's elders rely on family members as caregivers. When Caring Across Generations polled Hawaiian adults between the ages of 45 and 70, one-third reported that they currently help care for an aging person in their home.<sup>1</sup> A majority of caregivers are women.<sup>2</sup>

Caregiving can be extremely stressful, resulting in healthcare problems for the caregiver as well as potential abuse of the elder. Studies show that family conflict is generally a component of the caregiving experience. The conflicts result in poorer physical and mental health of the caregiver, as well as reduced quality of care for the elder family member.<sup>3</sup> To address these issues, MCP created the Kupuna Pono Program (KPP) to provide elders and their families with mediation to resolve conflicts, as well as a family conferencing process to prevent conflict and create a shared caregiving experience that reduces the burden on the primary caregiver and more effectively meet the needs and desires of the elder person. Through the KPP, families and the elder member engage in difficult conversations and create plans that support the elder member, as well as the caregiver.

Hawaii also has the largest gap in the nation between what renters earn and what they need to afford housing. People in the low-income population struggle to find rentals they can afford. When they do find a rental and a problem arises, tenants are frequently reluctant or unable to talk with their landlord. Therefore, landlords generally resort to the legal system and the eviction process.

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<sup>1</sup> Cauterucci, Christina, Elder Care is a Looming Crisis. Hawaii is Facing it Head-On. June 2017

<sup>2</sup> Rabin Roni Caryn, Healthcare? Daughters Know All About It, New York Times May 2017

<sup>3</sup> Pinquart & Sorensen, 2007; Schulz & Beach, 1999; Schulz & Martire, 2004; Schulz, O'Brien, Bookwala, & Fleissner, 1995

During fiscal year 2016, there were a total of 7,433 eviction cases in Oahu's District Courts. Many of the cases involved elderly, veterans, and/or individuals and families in the low-income population. MCP's Early Access Landlord-Tenant Mediation (EAM) program provides landlords and tenants the opportunity to mediate as soon as there is a problem. By accessing mediation early, before the tenant is too far behind on rental payments and before emotions are too high, agreements are reached allowing the tenants to remain in their home or, if the tenant is not able to keep up with the rental payments, an agreement that provides adequate time for the tenant to find a new residence can be arranged.

While the number of mediations conducted at MCP continues to grow, the above statistics show that even more people in the low-income and vulnerable populations would benefit from the services if MCP were prominently situated as the first step in addressing conflicts. A permanent home would establish an independent identity for MCP as a safe haven that offers a respite from conflict of all types. Hale O Pono will be known as the place to go to engage in difficult conversations with family, friends, landlords, tenants and more. It will also offer training to teach people of all ages skills to prevent conflict or resolve it themselves, before it escalates. Creating a strong presence in the community will remind and encourage people to use the services instead of fighting, going to court or worse, doing nothing and allowing a problem to cause even more damage in the long term.

Finally, it is significant that when more people have the opportunity to use MCP's services in its permanent home, not only will families and communities be strengthened, the State will also benefit from the savings in community supports costs, reductions in community medical care expenses, additional community income and taxation revenues from benefit programs, savings in housing and support costs for homeless families, and savings in community law enforcement, court systems, and other government agency costs. These benefits were shown through a Social Return on Investment analysis conducted for MCP by Community Services Analysis LLC in 2017.<sup>4</sup> A permanent home that encourages more people to use MCP's services will ultimately increase these related savings to the State overall.

#### **4. Target population to be served**

MCP's services are offered to everyone but are the only option for people in the low-income and vulnerable populations. Currently more than 50% of MCP's clients are in the low-income population and approximately 21% are indigent. The people directly served and impacted by MCP include keiki to kupuna: divorcing couples and unmarried couples with children, families, landlords and tenants, victims of foreclosure, employees and employers, schools and parents of children with special needs and more.

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<sup>4</sup> In 2017, a Social Return on Investment analysis was conducted for a year-long period ending on 6/30/16. The analysis was based on the number of clients and the types of mediation and dispute resolution matters handled by MCP during the year. The analysis showed that the total net value for the people of Hawaii resulting from the immediate and long-term impacts from the services provided by MCP during the year was \$7,444,000. This value was determined by assessing the fair market replacement cost of the mediation and dispute resolution services provided by MCP for the cases that were mediated or facilitated. Thus, For Every \$1 invested in MCP programs, \$8.76 was delivered in immediate and long-term consequential financial benefits to the citizens of Hawaii.

Over the past few years, MCP has increased outreach to encourage people to access mediation first. These efforts have focused on unmarried couples with children, the elderly, and more recently, newly housed homeless, as well as other tenants and landlords. As result, mediations involving these populations have increased. For example, the number of custody mediations (unmarried couples with children) has more than doubled and the number of mediations and family conferences involving elders and their families has tripled. MCP expects to serve even more individuals in these areas, once a permanent home is purchased.

The trainings and workshops currently conducted by MCP include primarily the mediators who provide the direct services, as well as business professionals, managers, social workers, educators and others interested in developing the skills. Workshops for caregivers, youth and others are provided upon request. A permanent home with a training facility will enable MCP to offer regular trainings and workshops for caregivers, youth and other non-profit organizations working with the low-income population, as well as the volunteer mediators and others.

### **Geographic coverage**

MCP currently offers mediation and dispute resolution services to every community throughout Oahu. Services are provided at MCP's office located in Chinatown, as well as on-site at the District and Family Courts in Honolulu, Ewa, Kaneohe, Kapolei, and Wahiawa. When accommodations are needed, MCP provides services at other locations such as schools, assisted living facilities, healthcare facilities, and community centers. Because many cases involve couples or families with one person living off-island, participation for the off-island person is available via Skype or phone at MCP's office.

MCP is currently working on establishing a stronger presence in West Oahu for purposes of offering landlord-tenant mediations within the West Oahu communities. Members of those communities are being recruited to participate in a landlord-tenant mediation training in May 2018. The newly trained mediators will be mentored by experienced mediators, to provide services directly within the West Oahu communities. This initiative is part of MCP's effort to encourage landlords and tenants to access mediation early, before filing an action in court.

MCP's permanent home will be located in Honolulu in an area between Moiliili and Kalihi. This central location will enable MCP to continue providing services with its current pool of mediators, most of whom live and work in Honolulu and Windward Oahu, while recruiting and training more mediators and strengthening collaborations with other organizations to better serve clients in the vulnerable and low-income populations throughout Oahu.

MCP is fortunate to maintain a pool of approximately 125 highly trained mediators who conduct the nearly 1,200 mediations that are referred primarily from the District and Family Courts, as well as the Hawaii Civil Rights Commission, various businesses and condominium associations. Many of the mediation participants benefit from services offered by other organizations such as Volunteer Legal Services, Legal Aid Society of Hawaii, Domestic Violence Action Center, Catholic Charities and others, before and/or between mediation sessions. Remaining in close proximity to these other services make it easier for clients to access all of the resources they need to help achieve successful outcomes in mediation.

While MCP's permanent home will be near bus lines to make accessing the facility easy, MCP is also working on expanding the use of technology to make mediation more accessible for all. For example, MCP is currently laying the foundation for a pilot program that will enable parties involved in small claims matters to mediate via skype, telephone, email or in person, prior to going to court. The mediators will have access to skype, computers and telephones at MCP's office, while the mediation participants will be able to participate from their homes, offices and other convenient locations throughout Oahu such as libraries and other nonprofit organizations. This initiative supports current efforts by the Access to Justice Commission to create convenient portals for individuals to receive legal information and assistance and ensures that MCP keeps pace with the use of technology to serve the growing sector of the population who rely on technology as their primary mode of communication.

Upon completion of the pilot project to expand the use of technology for small claims cases, MCP will expand the process to landlord-tenant matters and other types of cases as appropriate. Thus, while MCP's permanent home will be located in Honolulu, MCP's services will be accessible to everyone throughout Oahu.

## **II. Service Summary and Outcomes**

### **1. Scope of work, tasks and responsibilities;**

Over the next two years, MCP will: 1) raise the necessary funds to purchase a permanent home; 2) identify the facility that will serve as the new home; 3) purchase and renovate the facility as needed; and 4) move MCP's operations into the new location. Simultaneously, MCP will continue expanding the Kupuna Pono, Early Access Landlord-Tenant and training programs, as well as initiate a pilot program to further incorporate technology into MCP's services to make mediation more accessible.

In September 2017, MCP hired fund development consultant, Patti Look, to conduct a feasibility study. Through the study, Patti met with MCP supporters and potential donors to assess the level of support for a capital campaign and MCP's initiative to purchase a permanent home. Based on the outcomes of the feasibility study, a capital campaign committee was formed and MCP is currently in the quiet phase of the campaign. Over the next six months, in addition to requesting a grant from the City and County and applying for a State Grant-in-Aid, MCP will approach various private foundations, corporations and individuals for support. Members of the Committee have met to develop strategies for approaching donors to request their support.

Thanks to a long-time supporter of MCP and a Board of Directors committed to purchasing a permanent home, MCP has already raised \$1,008,287.00 for the capital campaign. It is anticipated that by mid-2018, commitments for approximately half of the total funds (an additional \$491,713) will be raised. At that time, the campaign will become public and the remaining half of the funds will be secured by mid-2019.



Simultaneous to obtaining the needed funds, MCP is working with a commercial real estate broker to identify potential properties that will meet the needs of MCP. Members of the Board of Directors and staff are also meeting with an architect to create a visual layout of the new facility. Once the appropriate facility is identified, a committee comprised of an architect, contractor, financial expert and others, will create a plan for any needed renovations.

MCP will also be creating a ten-year business plan that will include the purchase of the permanent home and the activities and programs that will be conducted and developed in the new facility in the years following the purchase.

**2. Projected annual timeline for accomplishing the results or outcomes of the service;**

January – June 2018:

- Obtain commitments for \$491,713.00 - Apply for a City & County and State Grant-in-Aids; apply for grants from private foundations; identify and approach individual supporters
- Create architectural renderings of the proposed new space
- Identify potential facilities for purchase
- Create a ten-year business plan

June 2018 – June 2019:

- Publicize capital campaign and MCP's goal to purchase a permanent home
- Obtain commitments for the remaining \$1.5 – Approach additional private foundations, individuals and corporations

May – December 2019:

- Identify and purchase a facility
- Complete needed renovations
- Move MCP's operations to the new facility

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

A capital campaign team comprised of MCP's Executive Director, members of the Board of Directors, Board of Advisors and Emeritus Directors are monitoring the progress of the capital campaign. The team is working with experts as needed to support various aspects of the campaign. For example, consultant Patti Look will be assisting with training and strategies for approaching and following up with prospective financial supporters. Commercial realtors Peter Grossman and Jie Ming Xie of CBRE are assisting with identifying potential facilities that would meet MCP's needs. Members of the campaign team will also be meeting with an architectural firm to create renderings of the envisioned new space. Once a space is identified, the firm will provide input on needed renovations and the most cost-effective approach for doing so.

Board President Steve Holmberg, a lead member of the campaign team, provides regular updates and input to the members of the Executive Committee and the rest of the MCP Board of Directors at the Executive Committee and Board meetings which are conducted every other month. The regular communication and monitoring of the project is critical to members of the Board of Directors and staff to ensure that MCP maintains quality operations and continues to grow current initiatives to meet community needs while simultaneously pursuing the goal of the capital campaign to purchase a permanent home for MCP. It is for this reason that campaign team continues to look at a broad variety of facilities and options (buildings, as well as office suites) to purchase as the permanent home for MCP. The key goal of creating a solid foundation for MCP's future and establishing MCP as a central resource in all of Oahu's communities guides the focus and decision-making of the team and MCP's Board of Directors.

Finally, MCP's Program & Quality Assurance Committee comprised of Board members, staff, mediators and supporters, remain actively involved in growing, monitoring and supporting programs and current initiatives such as the Early Access Landlord-Tenant Mediation Program. Their efforts will ensure that the projected long-term outcomes and community benefits will be achieved after MCP successfully purchases and moves into a permanent home.

- 4. 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.**

The purchase of a permanent home and MCP's move into that facility will be the immediate measures of success of the campaign for which the funds are being requested. The long-term outcomes of serving more people in the low-income populations and providing more training to members of Oahu's communities will be the measure of success in the year following MCP's relocation to the new facility.

**Financial****Budget**

- a. Budget request by source of funds is attached.
- b. Personnel salaries and wages is not applicable.
- c. Equipment and motor vehicles is not applicable.
- d. Capital project details is attached.
- e. Government contracts, grants, and grants in aid is attached.

## 2. Anticipated quarterly funding requests for the fiscal year 2019.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
			\$875,000.00	\$875,000.00

## 3. Sources of funding being sought for fiscal year 2019:

- Individual donors: \$100,000.00
- City & County Grant-in-aid: \$125,000.00
- Hawaii-based corporations: \$200,000.00
- Hawaii-based foundations: \$691,713.00

## 4. The Mediation Center does not apply for or receive state or federal tax credits.

## 5. MCP has never been the recipient of a Grant in Aid and does not receive federal grants.

State, and county government contracts, grants, granted to MCP within the prior three years include:

- Hawaii State Judiciary (through the Mediation Centers of Hawaii): General Mediation and Small Claims Court Mediation programs) – 2016, 2017 & 2018
- Indigent Legal Assistance Fund: 2016, 2017 & 2018
- Department of Education: 2016, 2017 & 2018
- Family Court of the First Circuit: 2017 & 2018

There are no contracts in place for 2019 at this time. MCP will apply for new contracts with the Hawaii State Judiciary through the Mediation Centers of Hawaii; Family Court of the First Circuit; Indigent Legal Assistance Fund; and the Department of Education.

6. The balance of MCP's unrestricted current assets as of December 31, 2017:  
**\$225,349.00**

## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2018 to June 30, 2019

App The Mediation Center of the Pacific, Inc.

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	875,000		125,000	2,000,000
<b>TOTAL (A+B+C+D+E)</b>				
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	875,000	Tracey S. Wiltgen 521-6767		Phone
(b) Total Federal Funds Requested		Name (Please type or print)		
(c) Total County Funds Requested	125,000			1/8/18
(d) Total Private/Other Funds Requested	2,000,000			Date
<b>TOTAL BUDGET</b>	<b>3,000,000</b>	Tracey S. Wiltgen, Executive Director		
		Name and Title (Please type or print)		



## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2018 to June 30, 2019

The Mediation Center of the Pacific, Inc.

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

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				
<b>JUSTIFICATION/COMMENTS:</b>				
No equipment or motor vehicles will be purchased with the requested funds.				

## BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2018 to June 30, 2019

The Mediation Center of the Pacific, Inc.

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: 2016-2017	FY: 2017-2018	FY:2018-2019	FY:2018-2019	FY:2019-2020	FY:2020-2021
PLANS						
Facility Acquisition		1008287	875000	1116713		
DESIGN						
CONSTRUCTION						
EQUIPMENT						
<b>TOTAL:</b>			<b>875,000</b>			
<b>JUSTIFICATION/COMMENTS:</b>						

**GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID**

App: The Mediation Center of the Pacific, Inc.

Contracts Total: 225,919

	<b>CONTRACT DESCRIPTION</b>	<b>EFFECTIVE DATES</b>	<b>AGENCY</b>	<b>GOVERNMENT ENTITY</b> (U.S. / State / Haw / Hon / Kau / Mau)	<b>CONTRACT VALUE</b>
1	Mediation services - courts & community	7/1/2017-6/30/2018	Mediation Centers of H	HI State Judiciary	172,391
2	Paternity Mediation Services at Family Court	7/1/2017-6/30/2018	Family Court - 1st Circ.	State	12,744
3	Special Education Mediation	7/1/2017-6/30/2018	Dept. of Education	State	24,000
4	Mediation Services for the Indigent	7/1/2017-6/30/2018	Judiciary	State	16,784
5					
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11					
12					
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### **III. Experience and Capability**

#### **1. Necessary Skills and Experience**

The Mediation Center of the Pacific is a well-respected organization, seen as a unique community asset and considered to be “top notch.”<sup>5</sup> Over the past twenty years, MCP has grown its programs and strengthened its ability to raise funds to support its mission. It has a track record of success evidenced by the growth of its annual fundraiser from a small gathering of less than 100 people raising a total of \$8,000 in 2007, to its current annual gala attracting between 250 – 350 people and raising over \$134,000. In addition, MCP’s development of innovative programs that have benefitted Hawaii’s vulnerable populations have been strongly supported by prominent local and mainland-based foundations such as Aloha United Way, Hawaii Community Foundation and the Harry & Jeanette Weinberg Foundation.

MCP’s Board of Directors and staff are dedicated to the mission and work of MCP. While this is the first capital campaign that the organization has undertaken, members of the Board of Directors, Emeritus Directors and the Board of Advisors, have participated in capital campaigns with other organizations. Their experience, expertise and support is critical to the success of MCP’s campaign. Equally important is the fact that MCP has also reached out to various experts in the community to assist with the campaign from managing the accounting, building donor relations, identifying the appropriate facility and raising the funds.

In addition to its strong financial base and leadership to support the capital campaign, MCP has a proven track record of success in providing high quality mediation and dispute resolution services to the community. Every year MCP re-evaluates client and community feedback to improve its operations and services. As a result, programs such as the divorce and custody mediation programs, have grown in the number of cases managed, as well as in rate of agreement and client satisfaction.

The MCP staff and Board regularly work to improve efficiency, incorporate technology and strengthen client support. Today MCP offers mediation via phone, video-conferencing, face-to-face at MCP’s office, as well as in the community. Workshops and trainings for the mediators and staff are regularly updated and new materials created, to ensure that every client has the best possible opportunity for achieving success. The feedback from the surveys completed by every client shows the high value of MCP’s services. 97% report that they would use the services again irrespective of whether or not an agreement was reached.

MCP’s quality programs and success at serving so many people in Oahu’s communities has resulted in a solid reputation. As a result, many people have become and remain strong supporters of MCP. In particular, MCP is fortunate to have the active support of the members of the newly formed Board of Advisors. Together with the long-time supporters, they are committed to helping MCP purchase a permanent home and grow MCP’s services.

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<sup>5</sup> Campaign Feasibility Study Report published by the Fund Development Group (July 2017)  
Rev 11/21/17

## 2. Facilities

MCP is currently located at the Kukui Children's Center in downtown Chinatown. The new facility will be located in the area between Moiliili and Kalihi.

## IV. Personnel: Project Organization and Staffing

### 1. Proposed Staffing, Staff Qualifications, Supervision and Training

MCP has strong leadership and dedicated, long-time supporters who believe in its work and the valuable role MCP plays in the community. The active board of directors carefully discussed the pros and cons of a capital campaign and the purchase of a permanent home before undertaking the project. All of the directors are committed to seeing the project to fruition. Current Director Robbie Alm, Emeritus Directors Cynthia Alm and Susan Lampe, and Board of Advisor members Michael Erne, Jerry Rauckhorst and Larry Rodriguez, have previously participated in capital campaigns. They are actively supporting MCP's campaign.

Steve Holmberg, President of MCP's Board of Directors, is a successful businessman who is currently the President and Chief Operating Officer of the Islander Group. Steve is the chair of the campaign team and is committed to investing his business skills to help MCP have a successful campaign. In addition to Steve, many of the Board members are successful business professionals and attorneys who are long-time supporters of MCP and are active members of the campaign team. For example, past president Bruce McEwan, retired Vice President of Young Brothers, has been involved with MCP as a mediator, Board member, Past President and donor, for more than thirty-five years. Vice President Sidney Ayabe, an attorney and mediator, served on the Board of Directors twice over the past twenty years and is a loyal supporter. Similarly, Director Robbie Alm, who has held leadership positions with Hawaiian Electric, First Hawaiian Bank, DCCA and more, has served in the past as a Director and President of MCP. He is actively participating in the campaign and sharing his expertise.

MCP also has a strong, dedicated staff who support the vision and goal of purchasing a permanent home for MCP. Executive Director Tracey Wiltgen is an attorney who has been part of the MCP staff for 22 years and has served as MCP's Executive Director for 18 years. She has been the key staff person responsible for writing grants and raising funds for MCP. Tracey has also been instrumental in building and strengthening MCP's programs that assist people in Oahu's low-income and vulnerable communities. She is supported by a strong staff who will maintain daily operations and programs while Tracey invests more of her time in the capital campaign. She is working closely with the campaign team, members of the Board of Advisors, consultant Patti Look, the finance committee and others, to ensure the necessary infrastructure and systems are in place to implement a successful campaign.

James Jennings, CPA, is the accountant who manages MCP's finances. Working closely with Treasurer Lee Erwin and MCP's finance committee, James has set up clear tracking systems for campaign donations and multi-year tracking. All campaign funds are deposited in financial institutions separate from MCP's general operating funds.

In 2017, the MCP Board and staff contracted fundraising consultant, Patti Look, to conduct a feasibility study (which was completed in August 2017) to identify potential supporters of the campaign, and to provide training and next steps. She is continuing to provide guidance and training to the staff and board to ensure a successful campaign.

MCP's newly formed Board of Advisors comprised of business and community leaders, will share their expertise and assist in identifying and approaching potential supporters of the campaign. Philanthropist and community leader Larry Rodriguez, has assumed a lead role on the Board of Advisors and the campaign team.

Finally, MCP is soliciting the assistance of professionals like commercial realtors Peter Grossman and Jie Ming Xie of CBRE to identify the appropriate property that meets MCP's needs and architects to assist with the visual layout and needed modifications of the facility. Together, the Board of Directors, staff, volunteers, supporters and Board of Advisors are committed to helping MCP achieve this important goal.

## **2. Organization Chart**

Attached

In addition to the Executive Director and Deputy Director who oversees operations, MCP has two full-time Client Services Specialists to schedule and manage mediations, a full-time Mediator Manager who oversees mediator development and support as well as the District Court mediation programs, a full-time Administrative Assistant, full-time Office Assistant and a part-time Program Coordinator who assists with the development of the Kupuna Pono, EAM and Training programs.

## **3. Compensation**

Executive Director: \$107,458.00

Deputy Director: \$60,000.00

Mediator Manager: \$56,800.00

## **V. Other**

### **1. Litigation**

There is no pending litigation

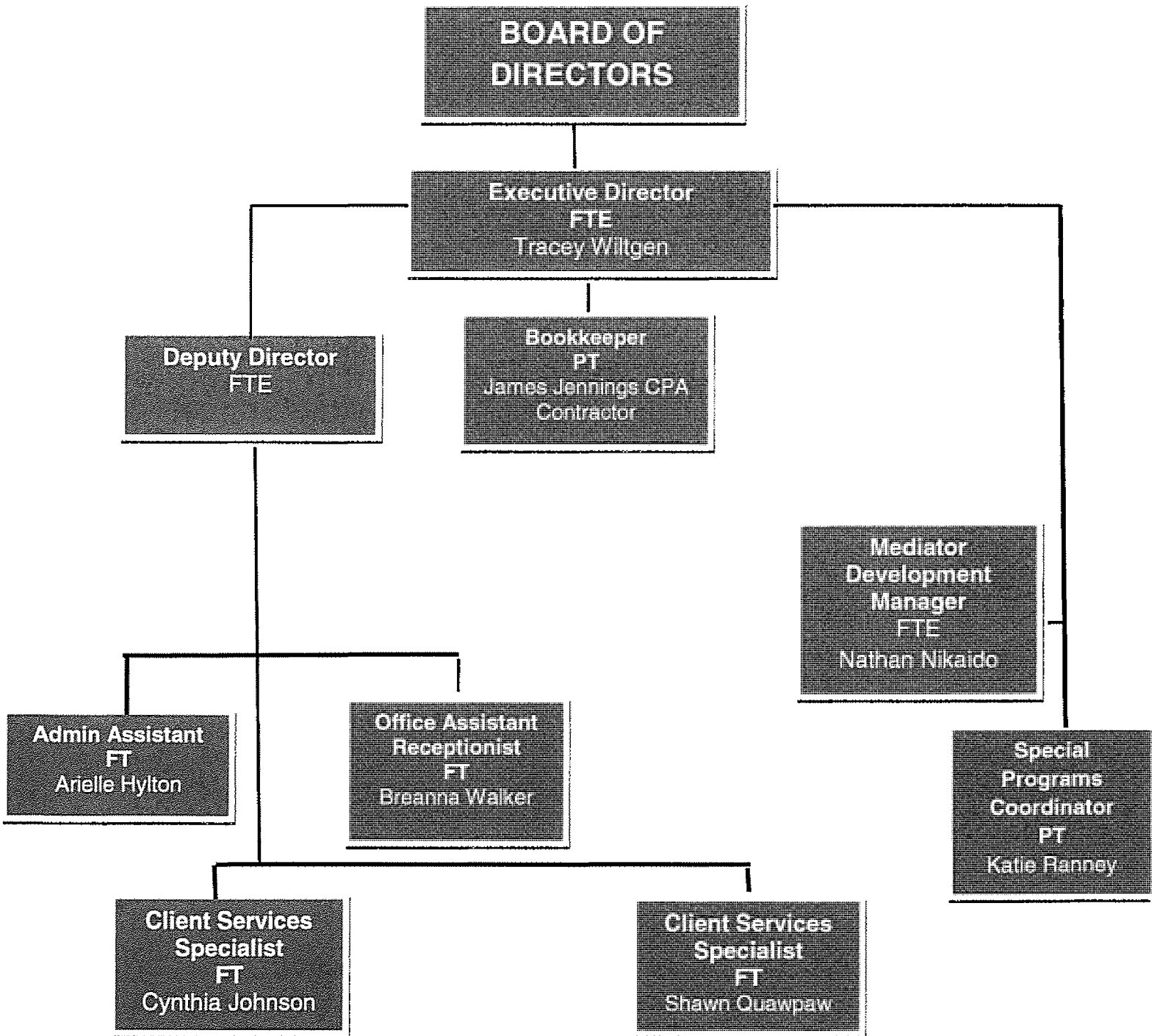
### **2. Licensure or Accreditation**

NA

### **3. Private Educational Institutions**

NA

## Organizational Chart



**4. Future Sustainability Plan**

**(a) Received by the applicant for fiscal year 2018-19**

The goal is to purchase, renovate and move in to a permanent home by the end of 2019. Over the past year, the staff has been reorganized and operations strengthened to prepare for a successful capital campaign and the future growth of MCP following the purchase of a permanent home. MCP sources of funding have been expanded, new partnerships formed and increased marketing and outreach conducted to sustain the work of MCP beyond the grant period.

MCP has a solid financial base and has plans to continue the growth of its successful annual fundraiser. The Board of Directors and the Board of Advisors take an active role in supporting the growth of programs, as well in raising funds to support the programs.

**(b) Not received by the applicant thereafter.**

The purchase of a permanent home will enable MCP to expand its services including training on a fee for service basis. The increased revenue from training and other fundraising activities will support expanded activities in the new facility to assist individuals in the low-income and vulnerable populations.

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

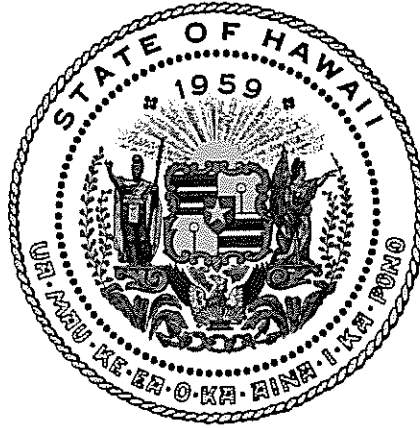
Attached

**6. Declaration Statement**

Attached

**7. Public Purpose**

The grant will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes.



## 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 MEDIATION CENTER OF THE PACIFIC, INC.

was incorporated under the laws of Hawaii on 08/15/1979 ;  
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 05, 2018

*Catherine P. Awai-Cole*

Director of Commerce and Consumer Affairs

**DECLARATION STATEMENT OF  
APPLICANTS FOR GRANTS PURSUANT TO  
CHAPTER 42F, HAWAII REVISIED 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, 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 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, 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 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 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.

The Mediation Center of the Pacific, Inc.  
(Typed Name of Individual or Organization)



(Signature)

1/8/18  
(Date)

Tracey S. Wiltgen Executive Director  
(Typed Name) (Title)

## Application for Grants

*Please check the box when item/section has been completed. 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;
2.  The goals and objectives related to the request;
3.  The public purpose and need to be served;
4.  Describe the target population to be served; and
5.  Describe the geographic coverage.

### **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;
2.  Provide a projected annual timeline for accomplishing the results or outcomes of the service;
3.  Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and
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 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.



### **III. Financial**

#### **Budget**

1.  The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
  - a. Budget request by source of funds ([Link](#))
  - b. Personnel salaries and wages ([Link](#)) NA
  - c. Equipment and motor vehicles ([Link](#)) NA
  - d. Capital project details ([Link](#))
  - e. Government contracts, grants, and grants in aid ([Link](#))
  
2.  The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2019.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant

3.  The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2019.
  
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. NA
  
5.  The applicant shall provide a listing of all federal, state, and county government contracts, grants, and grants in aid it has been granted within the prior three years and will be receiving for fiscal year 2019 for program funding. NA
  
6.  The applicant shall provide the balance of its unrestricted current assets as of December 31, 2017.

### **IV. Experience and Capability**

1.  **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.

2.  **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.

**V. Personnel: Project Organization and Staffing**

1.  **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.

2.  **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.

3.  **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.

**VI. Other**

1.  **Litigation NA**

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

2.  **Licensure or Accreditation NA**

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

3.  **Private Educational Institutions NA**

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.

4.  **Future Sustainability Plan**

The applicant shall provide a plan for sustaining after fiscal year 2018-19 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2018-19, but
- (b) Not received by the applicant thereafter.

5.  **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, 2017.

6.  **Declaration Statement**

The applicant shall submit a declaration statement affirming its compliance with Section 42F-103, Hawaii Revised Statutes. ([Link](#))

7.  **Public Purpose**

The applicant shall specify whether the grant will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes. ([Link](#))