

House District(s): 23rd

Senate District(s): 11th

**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): UNIVERSITY OF HAWAII AT HILO

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

**1. APPLICANT INFORMATION:**

Legal Name of Requesting Organization or Individual:  
Veterans Business Outreach Center of the Pacific

Db/a: VBOC of the Pacific

Street/Mailing Address:  
2800 Woodlawn Dr. Ste. 266  
Honolulu

**2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:**

Name: DENNIS KWAK

Title: Director

Phone #: (808) 988-1236

Fax #: N/A

E-mail : vboc@hawaii.edu

**3. TYPE OF BUSINESS ENTITY:**

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

Program under the University of Hawaii at Hilo

**6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:**

VETERANS BUSINESS OUTREACH CENTER OF THE PACIFIC'S REQUEST FOR OPERATING GRANT TO FUND NEW BUSINESS ADVISOR FOR ENHANCING BUSINESS DEVELOPMENT OPPORTUNITIES FOR VETERAN ENTREPRENEURS OF ALL ERAS

4. FEDERAL TAX ID #: N/A

5. STATE TAX ID #: N/A

**7. AMOUNT OF STATE FUNDS REQUESTED:**

FISCAL YEAR 2019: \$82,920

**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 \$0  
 FEDERAL \$225,000  
 COUNTY \$0  
 PRIVATE/OTHER 0

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:



Dennis Kwak / Director  
NAME & TITLE

1/17/2018  
DATE SIGNED

## **Application for Grants**

### **I. Background and Summary**

The Veterans Business Outreach Center (VBOC) of the Pacific was created in July 2016, and is housed under the University of Hawaii (UH) at Hilo and funded by the U.S. Small Business Administration through the Office of Veteran Development. The VBOC of the Pacific is designed to provide entrepreneurial development services such as business training, counseling, mentoring and referrals for veterans, service members and their spouses who are considering small business ownership or seeking growth in their existing business.

Although the VBOC of the Pacific is housed under UH Hilo, the office is located at the Manoa Innovation Center on the Island of Oahu, near UH Manoa. This is because most military installations in Hawaii are located on Oahu, where the VBOC of the Pacific offers its introduction to entrepreneurship class called Boots to Business, along with its resource partners such as the Small Business Administration, Hawaii Small Business Development Centers, Patsy T. Mink Center for Business and Leadership, Hawaii SCORE Volunteers and other organizations.

Under the grant outline, the VBOC of the Pacific's coverage area is the largest of all VBOCs in terms of square mileage, and includes all of the Hawaiian Islands, Guam and the Northern Mariana Islands, as well as American Samoa. Due to its large coverage area and limited staff, travel takes a toll on the services provided by the organization. The VBOC of the Pacific is requesting an additional operating grant funding to bring on another full-time business advisor, who will enable the organization to supply its services to a greater number of veterans, services members and their families in Hawaii.

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

The main focus of the VBOC of the Pacific has been to deliver business training courses such as Boots to Business and other classes offered in partnership with its resource partners and other outside organizations. Boots to Business is an introduction to entrepreneurship course, taught on military installations in a two-day, eight-module course. These classes are aimed at service members and their spouses, who are several months away from transferring out of the military and are utilizing the transition assistance programs at their respective military base. VBOC of the Pacific participates on average of two Boots to Business classes per month in Hawaii and one class per quarter in Guam.

VBOCs are also responsible for coordinating and delivering Boots to Business Reboot classes. These classes cover the same material as regular Boots to Business classes, but are offered outside of military installations and typically cover the material in one day and are aimed at veterans and spouses who have already transitioned out of the military and are retired or working in the civilian workforce. VBOC of the Pacific has offered on average one Boots to Business Reboot class per quarter in its first year, but with the increase of the current full-time business advisor, it has increased the number of Reboot classes offered and is looking to do two Reboot classes per quarter in 2018.

Aside from the business training courses, the VBOC of the Pacific offers one-on-one counseling sessions, a mentorship program, and referrals to knowledgeable professionals in the Hawaii SBA network. Due to its large coverage area, much of the VBOC of the Pacific's counseling is done through email and phone conversations, while meeting with clients on Oahu at the Manoa Innovation Center, where the VBOC of the Pacific office is located, or at/near the clients' place of business. The VBOC of the Pacific also offers on-site consulting whenever traveling outside of Oahu, for those clients who usually do not have the luxury of face-to-face counseling.

The VBOC of the Pacific's mentorship program includes professionals and seasoned entrepreneurs in fields ranging from food and beverage to government contracting. These individuals offer a few hours a week to meet with aspiring entrepreneurs and assist in their area of expertise. Finally, working closely with multiple resource partners allows the VBOC of the Pacific to also act as an information hub, where clients can go and be assisted by the business advisors there, or be directed to another organization with a higher level of expertise in a certain topic.

The VBOC of the Pacific utilizes Neoserra, a customer relationship management software, to track all program measurements including classes, clients and their progress. In its first year (July 2016 to June 2017), the VBOC of the Pacific participated in 50 total training events and provided 63 counseling sessions. At this time, the organization consisted of only the director and financial/administrative assistant. Currently, VBOC of the Pacific consists of the director, financial/administrative assistant, full-time business advisor, and part time business advisor. Having another full-time business advisor will allow the program to increase the much needed counseling hours to veteran-owned small businesses in the State of Hawaii. The measurements of effectiveness can easily be derived by the numbers recorded on Neoserra such as the number of training events, counseling sessions/hours, business starts, jobs created, and capital infusion into the State.

### **III. Financial**

The VBOC of the Pacific's budget follows from page five to nine in the order below:

- a. Budget request by source of funds
- b. Personnel salaries and wages
- c. Equipment and motor vehicles
- d. Capital project details
- e. Government contracts, grants, and grant in aids

The VBOC of the Pacific anticipates funding requests for the 2019 fiscal year as below:

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$20,730	\$20,730	\$20,730	\$20,730	\$82,920

Aside from the 2018 Grant in Aid, the VBOC of the Pacific only plans to receive funding from the Federal Government through the U.S. Small Business Administration (Grants.gov VBOC-2018-02), to fund the fiscal year 2019. Also, because of the VBOC of the Pacific's nature as a University of Hawaii at Hilo program, it is exempt from all taxes.

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

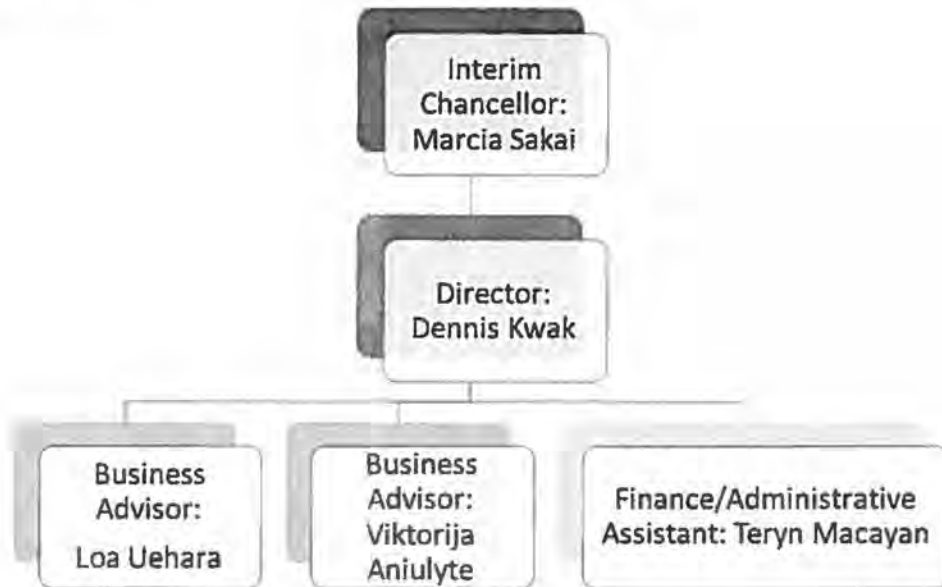
The VBOC of the Pacific has participated in all Boots to Business classes offered in Hawaii, and more than half of those offered in Guam and American Samoa since its inception. Although this was acceptable in the past, starting the VBOCs' new grant year, starting May 2018, VBOC offices must participate in all Boots to Business related courses in their coverage area. In order to fulfill this new requirement, the VBOC of the Pacific must double its travel outside of Hawaii. This is still possible with the current, full-time staff, but an additional business advisor will allow the VBOC of the Pacific office to run smoothly, while one or two staff may be traveling. The above-mentioned business advisor must be knowledgeable of small businesses in the VBOC of the Pacific's coverage area, and able to provide guidance to VBOC clients. \

The VBOC of the Pacific is currently located on the second floor of the Manoa Innovation Center. The single room holds three computer desks for the employees working on Oahu, as well as a conference table with five seats, which is used for meetings with clients. The Manoa Innovation Center offers conference rooms and classrooms to its tenants, which the VBOC of the Pacific utilizes for client meetings and Boots to Business Reboot classes.

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

The proposed staffing for the VBOC of the Pacific for fiscal year 2019 include the director, two business advisors and a finance/administrative assistant. This staffing will be adequate to fulfill the need to attend all Boots to Business related classes, while also increasing the number of one-on-one consultations the office can provide to its clients.

Below is an organization chart that shows the line of responsibility within the University of Hawaii at Hilo:



From above, the three highest paid employees under the VBOC of the Pacific are the Director, who earns a \$82,400 salary, and the two business advisors, who each earn a \$60,000 salary.

## **VI. Other**

If the VBOC of the Pacific receives the grant for fiscal year 2019, it shall bring on a full-time business advisor. He or she will consult VBOC of the Pacific clients only in the Hawaiian Islands and also assist in the planning and delivery of Boots to Business and other classes. The program is looking to change the director's position from a federal position to a state position under the University of Hawaii. This will allow the director's past salary to be utilized for other means.

## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2018 to June 30, 2019

Applicant: VBOC 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)
<b>A. PERSONNEL COST</b>				
1. Salaries	\$ 60,000.00	\$ 196,400.00		
2. Payroll Taxes & Assessments	\$ -	\$ -		
3. Fringe Benefits	\$ 22,920.00	\$ 58,950.00		
<b>TOTAL PERSONNEL COST</b>	<b>\$ 82,920.00</b>	<b>\$ 255,350.00</b>		
<b>B. OTHER CURRENT EXPENSES</b>				
1. In-State Travel & Mileage		\$ 2,156.00		
2. Out-of-State Travel		\$ 17,210.00		
3. Rental of Space		\$ 17,202.00		
4. Supplies		\$ 3,000.00		
5. Contractual		\$ 450.00		
6. Telephone		\$ 4,300.00		
7. Postage		\$ 100.00		
8. Printing/Copying		\$ 500.00		
9. Publications		\$ 300.00		
10. Dues		\$ 100.00		
11. Marketing/Operations		\$ 500.00		
12. IDC		\$ 73,832.00		
13				
14				
15				
16				
17				
18				
19				
20				
<b>TOTAL OTHER CURRENT EXPENSES</b>		<b>\$ 119,650.00</b>		
<b>C. EQUIPMENT PURCHASES</b>	\$ -	\$ -		
<b>D. MOTOR VEHICLE PURCHASES</b>	\$ -	\$ -		
<b>E. CAPITAL</b>	\$ -	\$ -		
<b>TOTAL (A+B+C+D+E)</b>	<b>\$ 82,920.00</b>	<b>\$ 375,000.00</b>		
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	\$ 82,920.00	Dennis Kwak	(808) 988-1236	
(b) Total Federal Funds Requested	\$ 375,000.00	Name (Please type or print)		Phone
(c) Total County Funds Requested		[REDACTED]		1/17/2018
(d) Total Private/Other Funds Requested		Signature of Authorized Official		Date
<b>TOTAL BUDGET</b>	<b>\$ 457,920.00</b>	Dennis Kwak / Director		
		Name and Title (Please type or print)		

## BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2018 to June 30, 2019

Applicant: VBOC of the Pacific

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Director                      Dennis Kwak	100%	\$        82,400.00	0.00%	\$                    -
Finance/Administrative Assistant      Teryn Macayan	100%	\$        44,000.00	0.00%	\$                    -
Business Advisor                      Loa Uehara	100%	\$        60,000.00	0.00%	\$                    -
Business Advisor                      Viktorija Aniulyte	100%	\$        60,000.00	100.00%	\$        60,000.00
				\$                    -
				\$                    -
				\$                    -
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				\$                    -
				\$                    -
				\$                    -
				\$                    -
<b>TOTAL:</b>				<b>60,000.00</b>

JUSTIFICATION/COMMENTS:

## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2018 to June 30, 2019

Applicant: VBOC of the Pacific

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

JUSTIFICATION/COMMENTS:

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
N/A			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				

JUSTIFICATION/COMMENTS:



## BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2018 to June 30, 2019

Applicant: VBOC of the Pacific

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES 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	0	0	0	0	0	0
LAND ACQUISITION	0	0	0	0	0	0
DESIGN	0	0	0	0	0	0
CONSTRUCTION	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
<b>TOTAL:</b>	0	0	0	0	0	0
JUSTIFICATION/COMMENTS:						

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

Applicant: VBOC of the Pacific

Contracts Total: -

	<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	N/A	N/A	N/A	N/A	N/A
2					
3					
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**DECLARATION STATEMENT OF  
APPLICANTS FOR GRANTS 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 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.

Veterans Business Outreach Center of the Pacific  
(Typed Name of Individual or Organization)

  
\_\_\_\_\_  
(Signature)

1/12/2018  
\_\_\_\_\_  
(Date)

Dennis Kwak  
(Typed Name)

Director  
(Title)