

**THE THIRTIETH LEGISLATURE  
APPLICATION FOR GRANTS  
CHAPTER 42F, HAWAII REVISED STATUTES**

Type of Grant Request:

Operating                       Capital

Legal Name of Requesting Organization or Individual: Dba:

Ko'olauloa Health Center

Amount of State Funds Requested: \$ 1,000,000

Brief Description of Request (Please attach word document to back of page if extra space is needed):

Requesting funds to build administration office space and meeting room space at the Kahuku property so that administrative operations are contained in the same site as main health facility. The move would allow expansion of clinical space at the Hau'ula clinic.

Amount of Other Funds Available:

State: \$ \_\_\_\_\_

Federal: \$ 564,152

County: \$ \_\_\_\_\_

Private/Other: \$ \_\_\_\_\_

Total amount of State Grants Received in the Past 5 Fiscal Years:

\$ 200,000 (lapsed)

Unrestricted Assets:

\$ 2,699,048

New Service (Presently Does Not Exist):  Existing Service (Presently in Operation):

Type of Business Entity:

501(C)(3) Non Profit Corporation

Other Non Profit

Other

Mailing Address:

P.O. 395

City:

Kahuku

State:

HI

Zip:

96731

Contact Person for Matters Involving this Application

Name:  
Terrence Aratani

Title:  
CEO

Email:  
taratani@koolauloachc.org

Phone:  
808-792-73840

Federal Tax ID#:

State Tax ID#



Authorized Signature

Terrence H. Aratani, CEO

Name and Title

01-20-2022

Date Signed



**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

**KO'OLAULOA HEALTH CENTER**

was incorporated under the laws of Hawaii on 10/10/2003 ; 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 17, 2022

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, Hawaii'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, Hawaii'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, Hawaii'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, Hawaii'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.

Ko'olauloa Health Center

(Typed Name of Individual or Organization)



(Signature)

01-20-2022

(Date)

Terrence H. Aratani

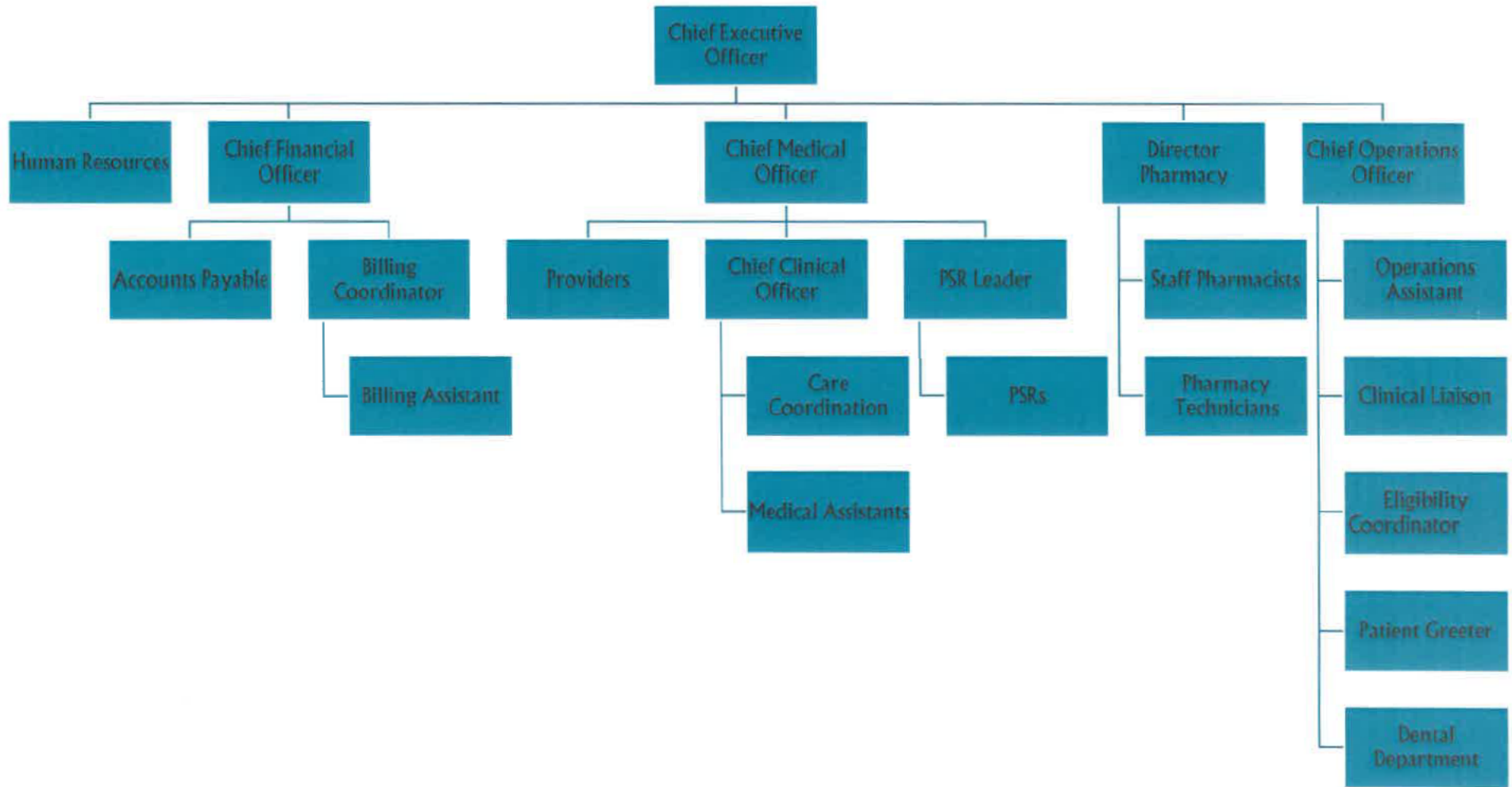
(Typed Name)

CEO

(Title)

# Attachment "C"

## Organizational Structure-Ko'olauloa Health Center 2021



## Application for Grants

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

### **I. Certification – Please attach immediately after cover page**

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

**Certificate of Good Standing-Attachment "A"**

2. Declaration Statement

**Declaration Statement-Attachment "B"**

3. Public Purpose

**Ko`olauloa Health Center (KHC) is recognized by the IRS as a 501(c)(3) nonprofit and is designated as a federally qualified health center by the Health Resources and Services Administration (HRSA). Since its inception, the health center is solely dedicated to providing quality primary medical, dental, behavioral and pharmacy services to the Ko`olauloa region. KHC will use the grant-in-aid to continue its public purpose as described below.**

### **II. 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

**KHC started in 2003 as a small clinic in a trailer on the Kahuku old sugar mill site. As the need arose, KHC moved its operations to its current facility in Kahuku. The health center saw the need to serve patients closer to Hau`ula, which has a large Native Hawaiian population. The Hau`ula clinic is operating in the Hau`ula Kai Shopping Center. KHC is renting commercial space in the shopping center. In 2013, KHC opened Hawaii's first school-based health clinic at Kahuku High and Intermediate School which has since been named the Red Raider Health Center. Since the start of the pandemic in 2020, that site has been closed and waiting for the principal to determine if and when KHC may commence operations.**

**Even before the COVID-19 pandemic, the health center has been challenged with sufficient space to house its staff and lacks meeting space.**

**The region has very limited meeting room space and usually there is a rental fee.**

2. The goals and objectives related to the request

**KHC has been challenged with revenue generation since the pandemic. The Hau`ula location's commercial rent is over \$7,000 per month and space is limited with very little room for current needs. We have reached capacity. Our goal is to move the administration currently situated at the Hau`ula site by to the Kahuku property by building office space and meeting space for purposes of staff meetings and community health education.**

**We have been making attempts to find property in the Hau`ula region and our most recent attempt was to request the use of the former Sacred Falls State Park (Kaluiwa'a) but was suggested to look elsewhere by the community. Our current option is to continue renting and expand the entire space for clinical practice. We are in the process of inquiring about the Queen Liliuokalani Children's Center property but the acquisition and development of a new clinic may take several years.**

3. The public purpose and need to be served;

**KHC has been and will continue to provide quality health care to those challenged with social determinants of health. Approximately 47% of our patients are Medicaid eligible and approximately 1% are uninsured. We do not turn away any individual due to the inability to pay.**

**In order for KHC to continue its mission efficiently, more facility space is needed. Our federal grantor, HRSA, has not received funding from Congress for community health centers to build new facilities since 2013. The American Rescue Act did provide funding for renovation for clinical purposes only. We did receive funds for this purpose but with building supplies in short supply and construction costs increasing, KHC will most likely need to supplement those funds. KHC also need administrative office space. The purpose of moving administration to Kahuku is to provide additional clinical space in Hau`ula.**

- 4.

5. Describe the target population to be served; and

**The 2020 census indicates that there are 22,527 residents in the Ko`olauloa region. Based on our 2020 data KHC submitted to HRSA, approximately 30% are at or below the federal poverty level, and approximately 11% are Native Hawaiian and 11.5% Pacific Islander.**

6. Describe the geographic coverage.
7. **As a federally qualified health center, KHC serves the population between Kualoa to Haleiwa, approximately 30 miles of coastline.**

### **III. 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;

**KHC is seeking the GIA to assist with expanding current space to include more office and meeting room space at our Kahuku site. The project will involve leveling current land, pouring a concrete slab, installing plumbing and electrical infrastructure into the new area, and building out a structure. One wall of our current structure may have to be abolished so that the new space can be directly connected to our current space.**

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

**KHC is currently working with an architect firm to assess KHC plans for the renovation and expansion project. Once plans and design are completed, the estimated construction should take a year considering the backlog with the city's permit system.**

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

**KHC's board of directors will work with the executive management team to ensure that the project is completed. The intended result is to improve the ability of KHC to serve its patient population by providing more clinical space. KHC is required to collect data on patient numbers, patient encounters and measure certain diagnostic treatments. Once KHC administration moves to Kahuku, we will be able to monitor the above data and evaluate the effectiveness of expanding clinical space in Hau'ula.**

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.

**KHC will report to the progress of the project on a quarterly basis to the state agency.**

**IV. 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)
  - c. Equipment and motor vehicles (Link)
  - 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 2023.

| Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Grant |
|-----------|-----------|-----------|-----------|-------------|
| \$100,000 | \$250,000 | 0         | \$650,000 | \$1,000,000 |

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2023.

**KHC will pursue other public and private grants.**

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

**Not applicable.**

5. The applicant shall provide 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 2023 for program funding.

**Federal Construction/Expansion Grant-\$564,152.**



6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2021.

**Total Assets-\$2,699,048 (unaudited)**

## **V. 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.

**KHC has received several federal grant awards to renovate its facilities. We are currently scheduled to begin renovations of the pharmacy and in the process of working with our architect to use the center courtyard to provide clinical and additional space to enhance patient care. *This request is to supplement/ match federal moneys allocated to the expansion of our Kahuku facility.***

### **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.

**The Kahuku facility is situated at 56-119 Pualalea Street in Kahuku. KHC owns this property which is a one-acre parcel. We have a shortage of space and do not have our own meeting room space to conduct staff meetings, board meetings and patient education. The current space is insufficient to move our administrative operations to the Kahuku site.**

## **VI. 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.

**KHC is led by CEO, Terrence Aratani, who is very familiar with state construction projects and funding as former Chief of Staff for the Hawaii State Senate. He also held other various positions with the Legislature’s financial committees. Under Mr. Aratani’s leadership since 2014, KHC has gone from facing a \$1 million in debt to current assets of over \$2 million. In addition, the last three single audits resulted in no findings by the auditor.**

**Isabella Gary, KHC’s Chief Operations Officer, holds a M.B.A., and has seen several renovation projects to successful completion. She is currently managing the renovation of the pharmacy department. She has been with KHC for over 10 years and started as a pharmacy technician.**

**Zachary Johnson is the Chief Financial Office and is the newest member of the executive team. Mr. Johnson is a C.P.A. and graduated from BYU-Hawaii with an accounting degree. Some of his accounting work to qualify for his C.P.A. was done under the supervision of current Director of Taxation.**

## **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.

### **Organization Chart-Attachment “C”**

## **3. Compensation**

The applicant shall provide an annual salary range paid by the applicant to the three highest paid officers, directors, or employees of the organization by position title, not employee name.

**Pediatric Dentist-\$200,000**

**Chief Medical Officer-\$195,000**

**CEO-\$190,000**

## **VII. Other**

### **1. Litigation**

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

**There is no pending litigation.**

## **2. Licensure or Accreditation**

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

**KHC is designated a federally qualified health center by HRSA.**

## **3. Private Educational Institutions**

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

**The grant will not be used to support or benefit a private educational institution.**

## **4. Future Sustainability Plan**

The applicant shall provide a plan for sustaining after fiscal year 2022-23 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2022-23, but
- (b) Not received by the applicant thereafter.

**The health center will be able to sustain the proposed project through its patient revenues which will most likely increase with the additional clinical space. The funding by the State for expansion/renovation to move the administration is crucial to increasing work space and providing more efficient workflow.**

**With the new CFO, we are addressing and monitor means to enhance sustainability through monitoring of costs and enhancing cash flow. With projected models in place and through monitoring, we will be building sufficient reserves to address unanticipated downturns in revenues now and in the future.**

## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2022 to June 30, 2023

Applicant: \_\_\_\_\_

| BUDGET CATEGORIES                       | Total State Funds Requested<br>(a) | Total Federal Funds Requested<br>(b)  | Total County Funds Requested<br>(c) | Total Private/Other Funds Requested<br>(d) |
|---|------------------------------------|---------------------------------------|-------------------------------------|--|
| <b>A. PERSONNEL COST</b>                |                                    |                                       |                                     |  |
| 1. Salaries                             | 45,500                             |                                       |                                     |  |
| 2. Payroll Taxes & Assessments          |                                    |                                       |                                     |  |
| 3. Fringe Benefits                      |                                    |                                       |                                     |  |
| <b>TOTAL PERSONNEL COST</b>             | <b>45,500</b>                      |                                       |                                     |  |
| <b>B. OTHER CURRENT EXPENSES</b>        |                                    |                                       |                                     |  |
| 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                                      |                                    |                                       |                                     |  |
| <b>TOTAL OTHER CURRENT EXPENSES</b>     |                                    |                                       |                                     |  |
| <b>C. EQUIPMENT PURCHASES</b>           |                                    |                                       |                                     |  |
| <b>D. MOTOR VEHICLE PURCHASES</b>       |                                    |                                       |                                     |  |
| <b>E. CAPITAL</b>                       | 954,500                            |                                       |                                     |  |
| <b>TOTAL (A+B+C+D+E)</b>                | <b>1,000,000</b>                   |                                       |                                     |  |
| <b>SOURCES OF FUNDING</b>               |                                    | Budget Prepared By:                   |                                     |  |
| (a) Total State Funds Requested         | 1,000,000                          | Zachary Johnson                       | 808-699-4661                        |  |
| (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 |                                    | _____                                 |                                     |  |
| <b>TOTAL BUDGET</b>                     |                                    | Name and Title (Please type or print) |                                     |  |



## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2022 to June 30, 2023

Applicant:     Ko`olauloa Health Center    

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

| DESCRIPTION<br>OF MOTOR VEHICLE | NO. OF<br>VEHICLES | COST PER<br>VEHICLE | TOTAL<br>COST | TOTAL<br>BUDGETED |
|---------------------------------|--------------------|---------------------|---------------|-------------------|
| No Vehicles                     |                    |                     | \$ -          |                   |
|                                 |                    |                     | \$ -          |                   |
|                                 |                    |                     | \$ -          |                   |
|                                 |                    |                     | \$ -          |                   |
|                                 |                    |                     | \$ -          |                   |
| <b>TOTAL:</b>                   |                    |                     |               |                   |
| <b>JUSTIFICATION/COMMENTS:</b>  |                    |                     |               |                   |

## BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2022 to June 30, 2023

Applicant: Ko'olauloa Health Center

| 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: 2020-2021                                | FY: 2021-2022  | FY:2022-2023          | FY:2022-2023                     | FY:2023-2024                         | FY:2024-2025 |
| LEGAL FEES  |  | 4,750          | 4,500                 |                                  |                                      |              |
| PLANS & DESIGN  |  | 52,750         | 250,000               |                                  |                                      |              |
| CONSTRUCTION  |  | 506,652        | 700,000               |                                  |                                      |              |
| ADMINISTRATIVE COSTS  |  |                | 45,500                |                                  |                                      |              |
| <b>TOTAL:</b>   |  | <b>564,152</b> | <b>1,000,000</b>      |                                  |                                      |              |
| <b>JUSTIFICATION/COMMENTS:</b> State GIA funds will be used for construction, and may also be used for furniture, fixtures, equipment, and other related costs. |  |                |                       |                                  |                                      |              |

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

Applicant: Ko'olauloa Health Center

**Contracts Total:** **564,152**

|    | <b>CONTRACT DESCRIPTION</b>                 | <b>EFFECTIVE DATES</b> | <b>AGENCY</b> | <b>GOVERNMENT ENTITY<br/>(U.S./State/Hawaii/<br/>Honolulu/ Kauai/<br/>Maui County)</b> | <b>CONTRACT VALUE</b> |
|----|---|------------------------|---------------|--|-----------------------|
| 6  | American Rescue Plan Infrastructure Support | 09/15/21 - 09/14/24    | HRSA          | U.S.   | 564,152               |
| 17 |   |                        |               |  |                       |
| 18 |   |                        |               |  |                       |
| 19 |   |                        |               |  |                       |
| 20 |   |                        |               |  |                       |
| 21 |   |                        |               |  |                       |
| 22 |   |                        |               |  |                       |
| 23 |   |                        |               |  |                       |
| 24 |   |                        |               |  |                       |
| 25 |   |                        |               |  |                       |
| 26 |   |                        |               |  |                       |
| 27 |   |                        |               |  |                       |
| 28 |   |                        |               |  |                       |
| 29 |   |                        |               |  |                       |
| 30 |   |                        |               |  |                       |