

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

Type of Grant Request:

Operating

Capital

Legal Name of Requesting Organization or Individual: Db:

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):

Renovation of property in the Ko`olauloa region to allow Ko`olauloa Health Center to operate a clinical site and other facilities.

Amount of Other Funds Available:

State: \$ _____

Federal: \$ _____

County: \$ _____

Private/Other: \$ _____

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

\$ 400,000

Unrestricted Assets:

\$ 2,249,429

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. Box 395

City:

Kahuku

State:

HI 96731

Zip:

Contact Person for Matters Involving this Application

Name:

Terrence Aratani

Title:

Chief Executive Officer

Email:

taratani@koolauloachc.org

Phone:

808-375-3192

Federal Tax ID#:

██████████

State Tax ID#

██████████



Authorized Signature

Terrence H. Aratani

Name and Title

01-18-2023

Date Signed

Application Submittal Checklist

The following items are required for submittal of the grant application. Please verify and check off that the items have been included in the application packet.

- x 1) Certificate of Good Standing (If the Applicant is an Organization)
- x 2) Declaration Statement
- x 3) Verify that grant shall be used for a public purpose
- x 4) Background and Summary
- x 5) Service Summary and Outcomes
- x 6) Budget
 - 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](#))
- x 7) Experience and Capability
- x 8) Personnel: Project Organization and Staffing



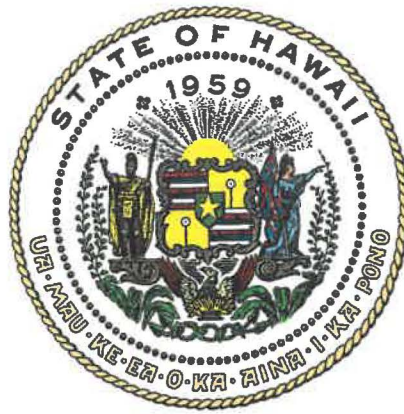
AUTHORIZED SIGNATURE

TERRENCE H. ARATANI

PRINT NAME AND TITLE

01-18-2023

DATE



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 16, 2023

A handwritten signature in black ink, appearing to read 'Nadine Pardo'.

Director of Commerce and Consumer Affairs

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 Revised Statutes:
a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
c) Agrees not to use state funds for entertainment or lobbying activities; and
d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
a) Is incorporated under the laws of the State; and
b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided; and
3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
b) Has a governing board whose members have no material conflict of interest and serve without compensation.
4) The use of grant-in-aid funding complies with all provisions of the Constitution of the State of Hawaii (for example, pursuant to Article X, section 1, of the Constitution, the State cannot provide "... public funds ... for the support or benefit of any sectarian or nonsectarian private educational institution...").

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Ko'olauloa Health Center
(Typed Name of Individual or Organization)

[Handwritten Signature] 01-18-2023
(Signature) (Date)

Terrence H. Aratani Chief Executive Officer
(Typed Name) (Title)

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)

See Attachment "A"

2. Declaration Statement

See Attachment "B"

3. Public Purpose

Ko`olauloa Health Center (KHC) is recognized by the IRS as a 501(c)(3) nonprofit, since its inception, the health center is solely dedicated to providing quality primary medical, dental, behavioral and pharmacy services to the Ko`olauloa region.

In 2022, KHC approached a landowner to inquire whether the landowner's property was available to purchase. After several months of communications, both parties have entered into a non-binding agreement for a parcel of property in the region. The purchase agreement is being drafted and will go through review in the near future. It is KHC's intent to move forward with the purchase as the board of directors has approved the purchase. KHC plans to use this property for a new health center including facilities for patient and community use.

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

Ko`olauloa Health Center was designated a Medically Underserved Area the Health Resources and Services Administration in 2003. The health center started in a trailer on the old sugar mill site and later purchased its Kahuku location. The health center saw the need to serve patients closer to Hau`ula and is currently renting commercial space at the Hau`ula Kai Shopping Center. Hau`ula has one of the largest per capita Native Hawaiian populations. In 2013, KHC open 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 KHC is collaborating with the principal to assist the DOE's nurse assigned from the Hawaii Keiki Program

2. The goals and objectives related to the request.

KHC has been challenged with revenue generation since the pandemic due to decrease in patients and encounters. 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. With the purchase of the property, KHC is planning to renovate current space within that facility by converting a portion of current space to clinical exam rooms. Other maintenance repairs may be needed as the facility has not been used for several years.

In addition to clinical space and office space. The facility has a kitchen which KHC plans to use as a certified commercial kitchen. As part of KHC's health initiative, the facility includes a large storage space. KHC plans to do basic renovations and purchase exercise equipment. The region lacks a fitness facility that is readily available to KHC patients and the community.

3. The public purpose and need to be served.

The purpose of this request is to allow KHC to renovate the property and convert the current facility to meet the needs of KHC's primary role-to ensure the health and well-being of its patients and the community. Our mission statement carries that message, "Improving the quality of life for all, IMUA!"

4. 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 KHC's 2022 report to HRSA, approximately 48% were Medicaid patients; 26% were at or below the Federal Poverty Level. KHC patient population included approximately 38% who identified themselves as Native Hawaiian.

5. Describe the geographic coverage.

As a federally qualified health center, KHC serves the population between Kualoa to Haleiwa, approximately thirty 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 it with renovations to the property. The project will involve upgrading plumbing to convert space to clinical space for medical and dental services. This conversion requires running water in or near the clinical rooms; upgrading ventilation to ensure proper airflow to prevent spread of COVID-19 and other airborne diseases; converting a large storage area into a fitness center; and conducting other repairs to ensure proper operations of the facility.

KHC plans to use the design build concept for its primary renovations so that the facility is operating as soon as possible.

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

The purchase agreement is currently being drafted and will take at least a month for review and negotiate any changes needed. Early 2023 will be focused on the purchase including obtaining the loans and fundraising necessary to obtain the funds for the purchase. KHC anticipates that the renovation project will most likely start near the end of 2023 and will take at least one and a half years to complete due to the permits required before construction may begin.

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 is required to collect data on patient numbers, patient encounters and measure certain diagnostic treatments. KHC is also required to implement a quality improvement plan to monitor certain health issues like hypertension and diabetes. KHC conducts needs assessment as a federally qualified health center. KHC's board of directors and management work closely to see its projects completed in a timely and efficient manner.

With the renovated property, KHC will be able to serve the community with a stand-alone facility that will have sufficient space for current and future needs.

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 expending agency as required by that 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
\$0	\$0	\$300,000	\$700,000	\$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 is working with the USDA on a pre-loan application for the purchase. KHC will explore other federal funding sources to propose this new site for the health center. Other private grants will be pursued to lessen the USDA loan principal.

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.

No state or federal tax credits have been granted.

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 330e health center operational grant-\$1,468,462

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2022.

Total Assets-\$2,249,429

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 federal grant awards to renovate its facilities at Kahuku. We have worked with professionals to plan, design and build or renovate our Kahuku site. The projects include: renovating the pharmacy; building out one portion of the facility; closing the atrium area to convert it to meeting/office space; and reconstructing the parking area.

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 requested GIA is for a property situated in the Ko'olauloa region and comprises of several acres with current office and storage space available. KHC is awaiting the purchase agreement draft and has every intent on making the purchase as space within the region is limited and a challenge to acquire. The purchase should be completed in 2023 with plans to renovate as soon as possible.

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 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, and is currently involved with the expansion/renovation of the Kahuku clinic site. She has been with KHC for over 10 years and started as a pharmacy technician.

Zachary Johnson is the Chief Financial Officer 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.

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.

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-\$180,00 to \$225,000
CEO-\$190,000 to \$220,00
Chief Medical Officer-\$195,000-\$220,00**

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 and was awarded its continuation grant in November 2022.

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:

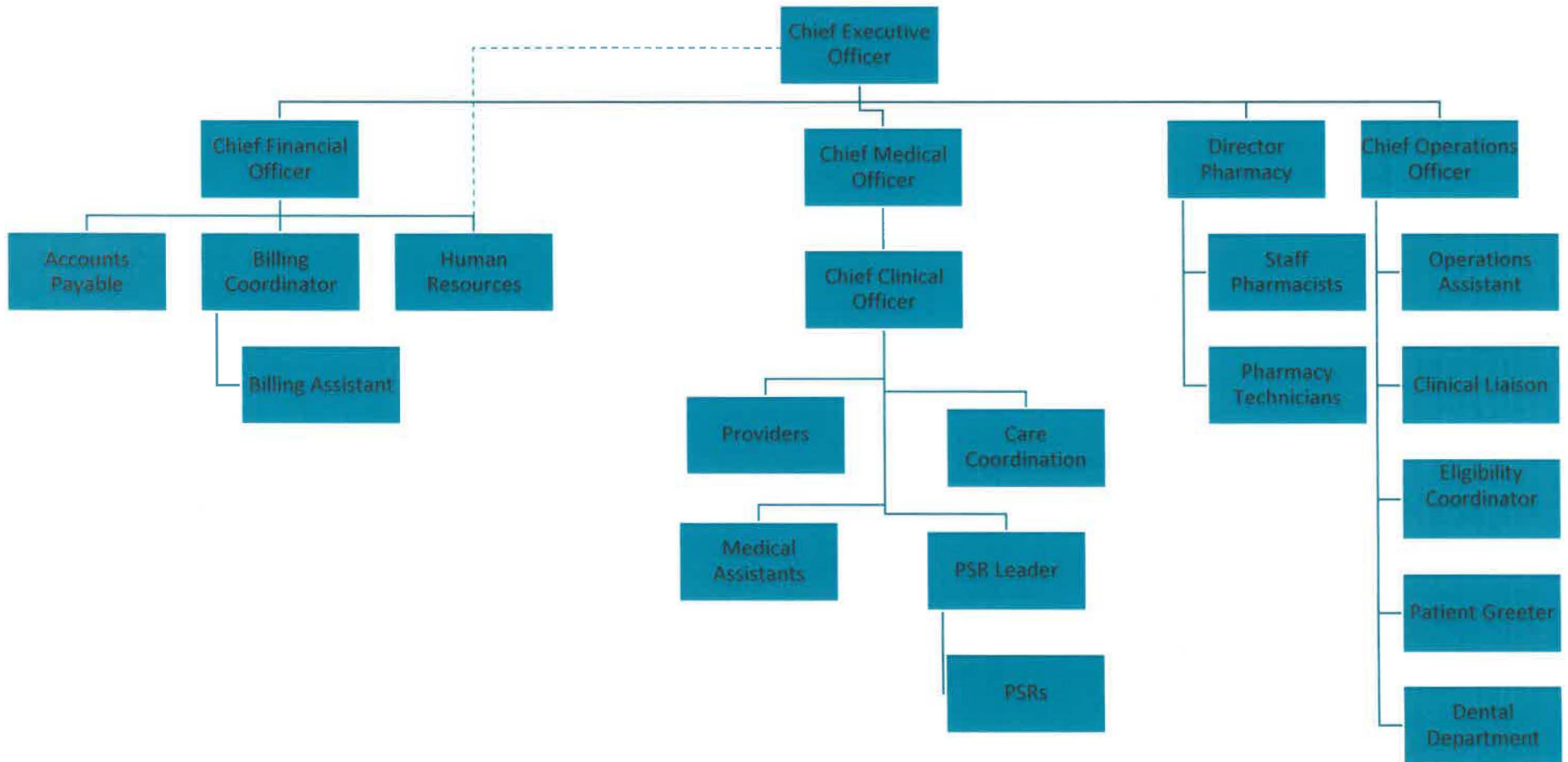
- (a) Received by the applicant for fiscal year 2022-23, but
- (b) Not received by the applicant thereafter.

The health center will be able to sustain the proposed project through its patient revenues which will increase with the increase in clinical space. The funding by the State for renovations will expand the health center's role in the community by providing more services at the new site; provide an opportunity for the community to use a commercial kitchen; provide agricultural opportunities; and have a fitness center.

KHC has been building sufficient reserves to address its current and future needs while monitoring costs to keep them at a minimum.

ATTACHMENT "C"

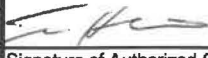
Organizational Structure-Ko`olauloa Health Center 2023



BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2023 to June 30, 2024

Applicant: KO'OLAULOA HEALTH CENTER

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES	300,000			
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	700,000			
TOTAL (A+B+C+D+E)	1,000,000			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	1,000,000	Zachary Johnson	808-699-4661	
(b) Total Federal Funds Requested	0	Name (Please type or print)	Phone	
(c) Total County Funds Requested	0		1/17/2023	
(d) Total Private/Other Funds Requested	0	Signature of Authorized Official	Date	
TOTAL BUDGET	1,000,000	Terrence Aratani, CEO		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2023 to June 30, 2024

Applicant: **KO'OLAULOA HEALTH CENTER**

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Not Applicable				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2023 to June 30, 2024

Applicant: KO'OLAULOA HEALTH CENTER

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Dental Equipment	2	\$15,000.00	\$ 30,000.00	\$ 30,000.00
Exam Room Equipment	4	\$25,000.00	\$ 100,000.00	\$ 100,000.00
Office Equipment & Furniture	6	\$15,000.00	\$ 90,000.00	\$ 90,000.00
Health and Wellness Equipment	8	\$10,000.00	\$ 80,000.00	\$ 80,000.00
			\$ -	
TOTAL:	20		\$ 300,000.00	\$ 300,000.00
JUSTIFICATION/COMMENTS:				

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

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2023 to June 30, 2024

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: 2021-2022	FY: 2022-2023	FY:2023-2024	FY:2023-2024	FY:2024-2025	FY:2025-2026
LEGAL FEES						
PLANS & DESIGN			250,000			
CONSTRUCTION		400,000	450,000			
ADMINISTRATIVE COSTS						
TOTAL:		400,000	700,000			
JUSTIFICATION/COMMENTS: Funds received in FY 2022-2023 were State GIA funds used for another project at a different location. FY 2023-2024 state GIA funds will be used for new location renovation and may include furniture, fixtures, equipment, and other related costs.						

GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

Applicant: KO'OLAULOA HEALTH CENTER

Contracts Total: -

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S./State/Hawaii/ Honolulu/ Kauai/ Maui County)	CONTRACT VALUE
6					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					