

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.

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


AUTHORIZED SIGNATURE

ROBERT EFFORD, CEO
PRINT NAME AND TITLE

1-18-24
DATE



STATE OF HAWAII
STATE PROCUREMENT OFFICE

CERTIFICATE OF VENDOR COMPLIANCE

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs (DCCA).

Vendor Name: THE ARC OF HILO*

DBA/Trade Name: THE ARC OF HILO*

Issue Date: 01/19/2024

Status: **Compliant**

Hawaii Tax#: [REDACTED]
New Hawaii Tax#: [REDACTED]
FEIN/SSN#: XX-XXX9668
UI#: XXXXXX1761
DCCA FILE#: 5244

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
8821	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards compliance
Pending	A status determination has not yet been made
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information

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

THE ARC OF HAWAII
(Typed Name of Individual or Organization)

[Signature] 1-18-24
(Signature) (Date)

ROBERT KIFONA CEO
(Typed Name) (Title)

**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:

The Arc of Hilo

Amount of State Funds Requested: \$ 118,524

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

As Hawai'i Island's largest employer of people with disabilities, The Arc of Hilo is requesting operating funds to help mitigate the impact of the \$2 per hour/17% increase in minimum wages this year on our workforce of youth and adults with disabilities, who provide landscaping, janitorial, commercial laundry, food service, and events and hospitality. We are working diligently to re-negotiate our contract pricing with community employers, but this will take time. We don't want to reduce our workforce, and in fact we want to create more employment for youth with disabilities. Mahalo.

Amount of Other Funds Available:

State: \$ _____

Federal: \$ _____

County: \$ _____

Private/Other: \$ _____

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

\$ 372,397 CIP

Unrestricted Assets:

\$ _____

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:

1099 Waiuanuenue Ave

City: Hilo State: HI Zip: 96720

Contact Person for Matters Involving this Application

Name:
Robert Efford

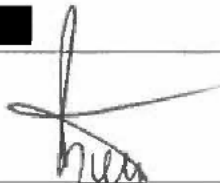
Title:
Chief Executive Officer

Email:
refford@hiloarc.org

Phone:
808-464-6111

Federal Tax ID#:
[REDACTED]

State Tax ID#
[REDACTED]



Robert Efford, Chief Executive Officer

1-18-24

Authorized Signature

Name and Title

Date Signed



January 19, 2024

**Proposal for Grant-in-Aid 2024-25:
*Arc of Hilo Employment Services for Youth and Adults with Disabilities***

II. Application for Grants

1. **Background:** Now celebrating 70 years of service to Hawai'i Island, the *Arc of Hilo* is one of Hawai'i's first non-profit agencies serving youth and adults with intellectual and developmental disabilities, helping provide employment, housing, community access services, and Adult Day Health services.

For several decades, the agency was known as *Big Island Housing Association to Help Retarded Children*. On November 13th, 1995, the agency formally changed its name to the *Arc of Hilo*, to better reflect its important role serving youth and adults in integrated, community-based services, as a chapter of the nationally-known ARC. For 70 years, the Arc of Hilo has served thousands of youth and adults with disabilities, as we continue to fulfill our mission to enrich lives and encourage greater self-sufficiency.

The Arc of Hilo is proud to be Hawai'i Island's largest employer of adults with disabilities, with over 60 individuals with disabilities employed through our commercial services contracts with county, federal, and corporate partners, with over 100 worksites providing meaningful work opportunities in landscaping, janitorial, laundry, and event services. Our partnerships include Mauna Loa Macadamia Nuts in Kea'au, National Guard, University of Hawaii-Hilo, Kamehameha Schools, Smithsonian Institute, County of Hawai'i, Lyman Museum, and more. We're proud to pay out over \$600,000 in wages to workers with disabilities in 2023, helping them achieve greater self-sufficiency and independence.

2. **Goals and Objectives:** Our goals and objectives in 2024 with our disabled workforce program are as followed:
 - One, to mitigate the impact of the 17% increase in the minimum wage so we can retain employment for all currently employed youth and adults with disabilities, and
 - Two, not only maintain current employment levels but expand to create more employment for youth exiting high school. Our target goal is to create a minimum of five (5) new jobs for youth with disabilities by end of June 30, 2025.

As you can imagine, absorbing a 75% labor cost increase from \$10.40 (2021) to \$18.00 (2026) for a non-profit dedicated to creating employment for people with disabilities is no small feat, so we are creatively attacking the challenge through a variety of means, including cost mitigation, and new revenue generation.

We believe that given enough runway, we can outrun these significant cost increases, while creating meaningful new jobs to fulfill our mission, but our greatest fear is that the 75% increase in the minimum wage will force us to reduce jobs, hours, and potentially reduce participant workers who may be more severely disabled, and cannot work at the pace and productivity needed to meet the requirements of our customer's scope of work and commensurate reimbursement. We believe that the minimum wage issue may negatively impact employment access for all but the highest functioning individuals, and we want to ensure that this does not become a reality in our already underemployed population.

3. **Public Purpose:** Rural Hawai'i Island already faces a much higher poverty rate than the rest of the state. For those youth with disabilities, such as those we serve from Puna, the future is far more bleak, both due to access to transportation, and lack of employers willing to offer customized employment opportunities. We believe that the Arc of Hilo can continue to serve as an employer for youth with disabilities, under contract with our community employers, where we can offer a range of value-added services at competitive rates that meet the needs of our community, while offering the individuals we serve the support and flexibility they need to meet their unique physical and cognitive needs.

Examples of recent expansions of our work partnerships include contracting for all janitorial and landscape services at Mauna Loa Macadamia Nuts/Hawaiian Host; University of Hawaii-Hilo campus landscaping; all janitorial, laundry/linens and landscaping at Hilo Yacht Club; and our newest project is a pending partnership with Malama One, a new \$20m recycling plant in Kea'au in development by Waiakea Hawaiian Volcanic Water, where the Arc of Hilo workforce will help support their operations to turn our island's plastic into bottles that ship Hawaiian water back off-island to the mainland.

4. **Target Population:** We are looking to the future, at least five to ten years out, and the needs of our island's youth with disabilities who are currently enrolled in high schools. Hawai'i County has 390 kids with intellectual and developmental disabilities (including autism) in our island's schools (DOE data 2023), with 30% of these youth located in rural Puna District. To help these kids prepare for transition to adulthood and employment, specifically in east Hawai'i, we launched the Arc's Career Exploration school-to-work program, now in its third year of service, with over 50 youth served so far, with referrals from Hilo/Waiakea to Laupahoehoe, to Kea'au and Pahoa High Schools, ranging in age between 14-21.

Nearly 50 youth with disabilities will exit school every year on Hawai'i Island. Currently, many of these young people will not have jobs or futures in integrated community settings. Some of these young people will end up staying in high school until age 22, then they must legally exit high school. We want to help these youth transition alongside their typically-developed peers at

age 18, but this will take intentional transition support work starting at age 14 and up, and immersing them in experiential work settings where they can be positively influenced by those that have gone before them, and help them develop their skills and confidence that they, too, can achieve the same outcome.

5. **Geographic Coverage:** Our geographic coverage has currently expanded from serving kids from Hilo/Waiakea, now as far north as Laupahoehoe, and as far south as Kea'au and Pahoa High Schools. We ultimately see our program developing local satellite services, where we don't have to see the kids bussed into Hilo, but serve them in their own communities, and develop employment opportunities in these areas by leveraging the Arc's existing expertise and abilities to create paid work.

III: Service Summary and Outcomes

1. **Describe the Scope of Work, tasks and responsibilities:** The Arc of Hilo's Employment Services operates 7 days per week, as we serve over 100 community employment contract sites. Our scope ranges from janitorial services 7 days per week at the Kea'au and Pahoa health clinics; to after-hours janitorial and custodial support until midnight at County of Hawai'i offices; to laundry services to Kaiser and other medical customers; to landscape services to a range of customers including Mauna Loa Macadamia Nuts factory and Visitor's Center in Kea'au; and our Event Center services run 7 days per week until late at night on the weekends, with over 200 events and 15,000 guests hosted here at the Arc of Hilo campus in 2023, supported and served by 11 youth with disabilities.

Our employment crews operate on a 3-1 staffing model, where we have a lead supervisor/job coach to 3 participant workers with disabilities. The model runs very well, as it's fully community-integrated within our customers' worksites. The lead provides the support the participants need in their workday, such as prompting, follow-thru, skill development, and developing appropriate workplace communication. Our coaches are all trained on habilitation, and the support needs of every individual.

Every participant worker is required to meet the basic job description for the position. We help prepare new hires for these roles through the youth school-to-work program, Career Exploration, using real-world job descriptions as a roadmap to competency with every task required.

2. **Provide a projected annual timeline for accomplishing the results or outcomes of this service:** The desired results of our Employment Services are to ensure that participant workers remain employed, productive and fulfilled with their job.
 - Our goal is to create more jobs through expansion of our employment services, by doing a great job for our customers, and leveraging our reputation to contract for new work, which directly benefits youth and adults with disabilities.
 - Specific to this proposal and grant request, the results we seek are to ensure that no participant worker loses their job as a result of labor cost increases that we cannot pass on currently with existing contracts. We will work diligently to re-negotiate contracts to

raise prices over time and engage new customers to help offset any lost contracts as a result of our inability to pass thru these sizeable increases with our labor costs.

3. **Describe the quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate and improve their results:** The Arc of Hilo will evaluate the desired results by doing the following: While our request for grant funding relates to the economics of providing employment for people with disabilities, our quality assurance and evaluation of our Employment Services consists of tracking and assurance that we:

- Do not incur work related injuries;
- Participants attendance is consistent and regular, and if it is not, we address it appropriately to ensure we can provide the support the participant needs;
- Participants enjoy their jobs, as evidenced by observation and feedback from supervisors;
- We are meeting the vocational needs of the participant, and helping them build new skills and greater independence;

4. **List the measure of effectiveness that will be reported to the State agency through which the grant funds are appropriated (the expending agency). The measure will provide a standard and objective way for the State to assess the program’s achievement or accomplishment:**

The Arc of Hilo will:

- Document our worked hours payroll from July 1, 2024 thru June 30, 2025 to substantiate our goal to continue employment of 63 minimum-wage workers impacted by the 17% increase, at a base of 4,150 paid hours per month.
- Secondly, we will substantiate our additional goal to hire five (5) more youth with disabilities by July 1, 2025, for a total workforce participation of 68 participant workers by July 1, 2025, an 8% increase year over year.

IV. Financial

1.

- a) Budget request by source of funds (**attached**)
- b) Personnel salaries and wages (**attached**)
- c) Equipment and motor vehicles (**NA**)
- d) Capital Projects (**NA**)
- e) Government contracts, grants, and grants in aid (**attached**)

2. **Quarterly funding requests**

Q1	Q2	Q3	Q4	Total Grant
29,631	29,631	29,631	29,631	118,524

3. **List of all other sources of funding they are seeking for fiscal year 2025:**

- County of Hawai’i “WaiWai” grant

- United Way partner application
 - Hawai'i Community Foundation
 - Ohana Fuels / Hawai'i Petroleum
4. **State and federal tax credits granted within last 3 years, and any applied for, or anticipate applying for any capital project, if applicable (NA)**
 5. **Listing of all federal, state, and county government contracts, grants, and grants in aid granted within the last three years and will be receiving for fiscal 2025 for program funding.**
 - (2022-24) \$372,397 Capital Grant for Adult Day Health bathroom renovations
 6. **Balance of unrestricted current assets as of December 31, 2023: \$14,526.01**

V. Experience and Capability

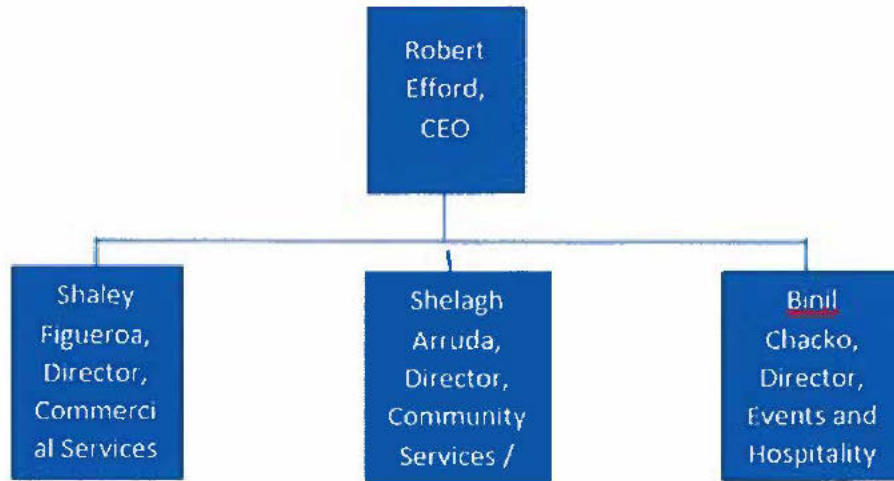
1. Necessary Skills and Experience: The Arc of Hilo is celebrating 70 years of service here in east Hawai'i County. We offer employment, school-to-work, community supports, Adult Day Health, and low-income housing. With respect to employment services, for which we seek support with this grant proposal, employment services make up the bulk of our program delivery, as we are the largest employer of people with disabilities on the island. We have over 90 individuals with disabilities in employment-related services, between those working on our crews, or in our youth school-to-work program preparing for work upon exit from high school. Our CEO has 23 years of experience in employment and youth transition. Our management team also includes a Director of Commercial Services, Director of Event and Hospitality Services, a school-to-work Youth Coordinator, and Director of Community Services.

2. Facilities: The Arc of Hilo has served the community from a 6.5 acre campus in Hilo since 1977. Our campus is located across from Hilo Medical Center and Rainbow Falls. In 2015, we opened our Job Creation Center, a 5,000 square foot center which serves as our Event & Hospitality Program, helping train and employ youth within the hospitality field. We also opened our first café, the Tiki Turtle Café, which serves the public including tourists visiting Rainbow Falls, and between the event center and café, we employ 19 youth with developmental disabilities. Our Adult Day Health program is also located here at the Arc's campus. Our housing units are located in the Hilo community, which offer subsidized housing for elderly and persons with disability.

VI. Personnel: Project Organization and Staffing

1. **Proposed Staffing, Staffing Qualifications, Supervision and Training:** Our employment crews operate on a 3-1 model, where we have a lead supervisor/job coach to 3 participant workers with disabilities. The model runs very well, as it's fully community-integrated within our customers' worksites. The lead provides the support the participants need in their workday, such as prompting, follow-thru, skill development, and developing appropriate workplace communication. Our coaches are all trained on habilitation, and the support needs of every individual. Overseeing our Commercial Services and workforce is Shaley Figueroa, our Director, who reports to the CEO.

2. Organization Chart:



3. Compensation:

CEO (\$100k)

Director, Commercial Services (\$65k)

Director, Community Services/Adult Day Health (\$55k)

Director, Events and Hospitality (\$60k)

VII. Other

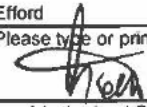
1. **Litigation:** We have no pending litigation for which we are a party.
2. **Licensure or accreditation:** The Arc of Hilo's CEO is credentialed with a CESP which provides qualification to oversee VR and Medicaid waiver supported employment services, which is a component of our service delivery. However, the commercial workforce program is not accredited or licensed as it is a social enterprise, not a program funded by public reimbursement.
3. **Private Educational Institutions:** N/A
4. **Future Sustainability Plan:** The Arc of Hilo is working diligently to re-negotiate customer contracts in 2024-2025 to recalibrate to the minimum wage increases, to the best of our ability, considering the pass-thru of 75% increase in labor costs required during the minimum wage stair-step increases from 2021 – 2026. The grant proposal if awarded will help us this year into 2025, as it will help plug the equivalent costs for participant worker wages with the 17% increase this year. We believe that we can build these cost increases into customer contracts on a run-rate basis over the course of this year, which will help us with fiscal equilibrium into 2026 as we face the next increase in minimum wage. Between grants, re-negotiated rates, and cost mitigation, we will survive, as we must in order to continue as an employment resource for youth with disabilities in the years ahead.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2024 to June 30, 2025

App

The Arc of Hilo

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	118,524			
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST	118,524			
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				
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20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	118,524			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	118,524	Robert Efford	808-464-6111	
(b) Total Federal Funds Requested		Name (Please type or print)	Phone	
(c) Total County Funds Requested			1-18-24	45,309
(d) Total Private/Other Funds Requested		Signature of Authorized Official	Date	
TOTAL BUDGET	118,524	CEO, Arc of Hilo		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2024 to June 30, 2025

Applicant: The Arc of Hilo

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST	TOTAL STATE FUNDS REQUESTED (A x B)
Participant Workers: 63 workers @ 4,150 hrs/mo @ \$14/hr	0.5	\$697,200.00	17.00%	\$118,524.00
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				\$ -
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TOTAL:				118,524.00

JUSTIFICATION/COMMENTS: The figures provided reflect actual workers employed at the Arc of Hilo, in various vocations including landscaping, janitorial, laundry services, food services, and event and hospitality. Our long-term contracts with a range of customers did not anticipate the minimum wage mandate going from \$10.40 per hour to \$14.00 per hour as of this January, and ultimately \$18 per hour by 2026. We are working to raise our contract prices as contracts re-up to absorb these costs, but it will take time to do so. In the meanwhile, we don't want to let anyone go, but work through the labor costs to not only absorb them, but ensure we are well positioned to hire more youth with disabilities who need employment.

GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

App:

The Arc of Hilo

Contracts Total:

372,397

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S./State/Hawaii/ Honolulu/ Kauai/ Maui County)	CONTRACT VALUE
1	2022 Grant-in-Aid ADH Bathrooms Renovation	12-20-22	Department of Human Services	State	372,397
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