

MAJOR GENERAL ADJUTANT GENERAL

ROBERT G. F. LEE

GARY M. ISHIKAWA
BRIGADIIER GENERAL
DEPVTY/ADJUTANT GENERAL
2: //

STATE OF HAWAII

DEPARTMENT OF DEFENSE OFFICE OF THE ADJUTANT GENERAL

3949 DIAMOND HEAD ROAD HONOLULU, HAWAII 96816-4495

March 5, 2008

Honorable Marcus R. Oshiro Chairman, House Committee on Finance Room 306, State Capitol Building State Capitol Honolulu, Hawaii 96813

Dear Representative Oshiro:

In response to your memorandum dated February 14, 2008, we have reviewed the Grant and Subsidy Applications for 2008-2009 that were forwarded to our department. Enclosed are the Finding and Recommendations for the nine applications that were forwarded.

Although all of the applications qualify as a legitimate grant, the Department recommends that the Christian Works Hawaii not be approved for funding due to the poor presentation. The Department also recommends that the funding for the USS Missouri Memorial Association, Inc. for Operating funds (DEF 228-0) upon approval be assigned to the Department of Education as the content of the application is more education related. The American Red Cross (ARC) applications ranks top in all of the applications because its new headquarters building on Diamond Head Road needs to be retrofitted and equipped for a severe storm. The State will heavily depend on the ARC and its resources to provide disaster relief.

If you have any questions or other concerns, please have your staff call Mr. Thomas T. Moriyasu, our Departmental Fiscal Officer, at 733-4259.

Encs.

Sincerely,

Major General

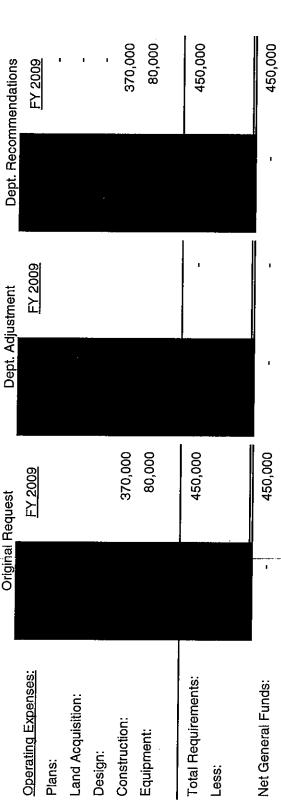
Hawaii National Guard

Adjutant General

Q. FY 09	. 74		MOF		
Prog ID	Organization	Log	Α	С	Grand Total
DEF110	American Red Cross, Hawaii State Chapter	11-C		450,000	450,000
	Haleiwa Main Street	60-O	156,100		156,100
	Waikoloa Community Development Corporation	242-0	19,914		19,914
DEF112	Christian Works Hawaii	34-C		150,000	150,000
	Hawaii Museum of Flying, The	87-C	1	551,000	551,000
	Kauai Veterans Council	145-C		72,670	72,670
	Pacific Aviation Museum - Pearl Harbor	199-C		1,000,000	1,000,000
	USS Missouri Memorial Association, Inc.	228-O	1,127,900		1,127,900
		229-C		4,000,000	4,000,000

STATEMENT OF FINDINGS AND RECOMMENDATIONS CAPITAL IMPROVEMENT PROJECT

Log No:	11·C	J	·			
Department:	Defense		Does request comply with	mply with		
			qualifying standa	onditions?	Yes X	2
Progam ID:						!
			Does request ser	Does request serve a public purpose?	Yes X	Š
Organization:	ARC	ĺ	-		ı	?
Service Activity:		į				
	Cricin	Original Desired				



STATEMENT OF FINDINGS AND RECOMMENDATIONS CAPITAL IMPROVEMENT PROJECT

STATEMENT OF FINDINGS AND RECOMMENDATIONS OPERATING

δ S		Yes X No	Yes X				·	
ify as a POS?	ervice activity?		Does request serve a public purpose?	Dept. Recommendations	FY 2009	115,850	40,250	156,100
Does request qualify as a POS?	If yes, what POS service activity?	qualifying standards and conditions?	Does request serv	Dept. Adjustment	<u>FY 2009</u>			đ
	Street			Original Request	<u>FY 2009</u>	115,850	40,250	156,100
60-O Defense	Haleiwa Main Street	The second secon		Origina				
Log No: Department:	Progam ID: Organization:	Service Activity:			Operating Expenses: Personal Services:	Current Expenses:	Equipment: Motor Vehicles:	Total Requirements: Less:

156,100

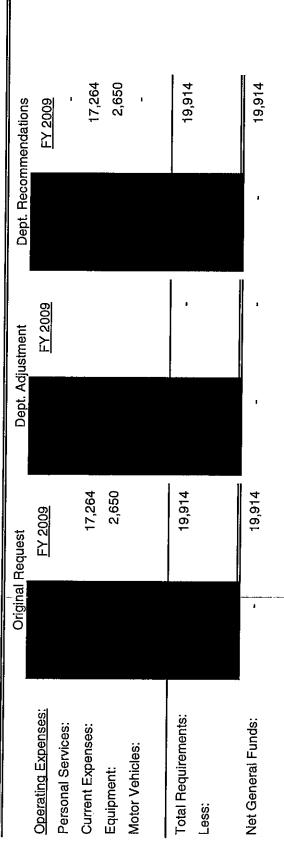
156,100

Net General Funds:

STATEMENT OF FINDINGS AND RECOMMENDATIONS OPERATING

STATEMENT OF FINDINGS AND RECOMMENDATIONS **OPERATING**

	Yes			Yes X No	Yes X.	
	Does request qualify as a POS?	If yes, what POS service activity?	Does request comply with	qualifying standards and conditions?	Does request serve a public purpose?	
			,			
242-0	Defense		WCDC			
Log No:	Department:	Progam ID:	Organization:	Service Activity		



STATEMENT OF FINDINGS AND RECOMMENDATIONS OPERATING

STATEMENT OF FINDINGS AND RECOMMENDATIONS (CIP)

FY 2009-2010	No No	Yes × No		
	Yes	ĕ ≺ë		
Does request comply with	qualifying standards and conditions?	Does request serve a public purpose?		
DEF- 34-C Defense	DEF 112	Christian Works Hawaii		
Log No: Department:	Progam ID:	Organization:	Service Activity:	

	Origina	Original Request	Dept.	Dept. Adjustment	Dept Recommendations
Operating Expenses:	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009 FY 2010
Plans:					
Land Acquisition:					ı
Design:					•
Construction:	200,000				•
Equipment:	10,000	10,000		-	1
			:		
Total Requirements: Less:	210,000	110,000	ı	.	,
Net General Funds:	210,000	110,000		-	ı

Nicole's INPUT:

Recommend DENIAL OF REQUEST as submitted

cover page of application is marked as GRANT REQUEST - CAPITAL cover page date not signed

Budget Request by Source of Funds WORKSHEET- pg5 not signed; column (a) figures don't add up correctly (should equal \$87,705) to coincide with requested amount on cover page of \$300k

Budget Justification Capital Project Details - pg8 figures for FY09 \$210k + FY10 \$110k don't correspond with pg5 either [total \$320k]; I used \$320k figure on statement of findings excel spreadsheet

unsure exactly how much organization is requesting; narrative requests \$350k

Declaration Statement date unsigned

GIA appears to fulfill a public purpose

Packet is poorly assembled; several documents are not date signed and budget worksheets are confusing with figures that vary from page to page, many questions are not thoroughly answered and contain anecdotal info only, questionable management skill

Budget Request by Source of Funds WORKSHEET-organization appears to be relying on the state for the majority of funding and believes it will become self-sustaining after structure is erected

the composition of the Board of Directors is uncertain as specifics are not mentioned in the bylaws so I'm unable to determine if any are being compensated

narrative material (proposal) appears to be more of a personal statement of faith rather than a factual response to information requested

I have serious reservations about the fiscal expertise of the Finance Director given the sloppy accounting within the application itself. Individual may not be able to manage a large grant. Article 2.1.4 of the bylaws states that the "Finance Director shall have custody of all monies and securities of the corporation...." Based on the information submitted, I'd be concerned and believe funding this organization is not fiscally responsible at this time.

while I agree that "short term counseling and assistance helping veterans file claims with the Veterans Administration and ..." is a "worthy cause" the admission of the Director as being "unorthodox" is one of many reasons for my hesitation to provide more positive feedback regarding the request. A grant to help "better serve the sick and suffering people

in the upper Puna District on the east side of the big island of Hawaii" is a great idea. Perhaps this is why organizations like the DAV & VFW offer assistance to veterans in Puna, as does HOVS. Another concern is that "counselors will have a minimum of a masters degree or equivalent life experience working in a field of dysfunctional or psychologically challenged individuals." The OR is alarming.

application states that "our goal is to move the counseling center out of our house, which would be totally separated from our living quarters." Then a few statements later states "we are seeking funding to finish the building downstairs, build a weight training room, a garage equipped to train those without trade in motorcycle mechanics and automobile mechanics." Huh??

Christian Works Hawaii is registered in the State of Hawaii as a foreign non-profit (FNP) corporation. Although Chapter 42F does not specifically exclude FNP's from grant eligibility it does indicate in 42F-103(b)(1) that the organization must be......incorporated under the laws of the State. Hawaii's definition of a foreign non-profit corporation = a nonprofit corporation registered to do business in Hawaii but organized under laws other than the laws of Hawaii.

I think Christian Works Hawaii does not meet criteria as prescribed by HRS

HAWAII MUSEUM OF PLYING

STATEMENT OF FINDINGS AND RECOMMENDATIONS CAPITAL IMPROVEMENT PROJECT

FY 2008-2009

Log No:

Department:

Progam ID:

DEF 1/2

qualifying standards and conditions? 人の なべぎょむ Does request comply with

Yes

2

Yes V

Does request serve a public purpose?

OFFIC OF Volumes Sevilos.

Service Activity:

Organization:

Dept. Recommendations FY 2009 FY 2009 Dept. Adjustment FY 2009 Original Request Operating Expenses: Land Acquisition: Construction: Equipment: Design:

Total Requirements:

Net General Funds:

Standards for Award of Grants and Subsidies

Name of organization: The HAWAIT MUSeum of Flying		
· · · · · · · · · · · · · · · · · · ·		
Date: 156 28, 2008		
	Yes	NO
1. Are Licensed or accredited in accordance with feds or State	V	
2. Comply with applicable fed and State laws - no discrimination	T	
based upon race, color, national origin, religion, creed, sex age, sexual -	ļ	-l
orientation, or disability.		
3. No entertainment or lobbying with funds		
4. allow State full access to all records and files		
5. Incorporated under laws of the State	7,	
6. Has bylaws or policies that describe activities and services that grant		
funds used to provide.	/	
7. Non-Profit organization	V,	
8. IRS Non-profit number	V	
9. Governing board members have no material conflict		
10. Board members serve without compensation	V	
11. If purchase land, method to repay State (N/A)		
Comments: Applicant provides declaration statement, however 1/e	ins 2,	3,4,
Applicant provides declaration statement, however 1/e 5,6,9 Were not addressed in white-up.		
Funding? Purchase of Aircraft and Katal, of Maniger W/ State funds. As noted: no mens organization would be imburse state for property if while to max fain purchases.	Constr	actim
of Nonger W/ State funds. As with no men	tion of	Low
Organization would be inburse state for property if	Pinjut	
Unible to max fair purchases.	0	
Per Budget org. Wants to Spend Face, our on the construction stenovation and \$360,000 to purche aircraft and \$190,000 or restoration shaint & A/C	inger	
construction/tenodation and \$360,000 to purche	NT	MB
aircraft and \$190,000 on restriction/ Maint 2 A/C	,	

FY 2008-2009 Yes STATEMENT OF FINDINGS AND RECOMMENDATIONS Dept. Recommendations FY 2009 Kauai Veterans Chuncil DBA Kanai Veterans Museum See Cousunds. out.
\$14.500 is life.
Does request serve a public purpose? qualifying standards and conditions? CAPITAL IMPROVEMENT PROJECT Does request comply with FY 2009 Dept. Adjustment FY 2009 Original Request JSF 1/2 Operating Expenses: Total Requirements: Net General Funds: Land Acquisition: Service Activity: Organization: Department: Construction: Progam ID: Equipment: Log No: Design: Plans:

Standards for Award of Grants and Subsidies

Name of organization: KAUAi Veferaus Council DBA KAUAi		
Veterans Museum.		
Date: 7-6 28, 2018	•	
	Yes	NO
1. Are Licensed or accredited in accordance with feds or State	103	110
2. Comply with applicable fed and State laws - no discrimination		
based upon race, color, national origin, religion, creed, sex age, sexual orientation, or disability.		
3. No entertainment or lobbying with funds		<u> </u>
4. allow State full access to all records and files		
5. Incorporated under laws of the State		
6. Has bylaws or policies that describe activities and services that grant		
funds used to provide.		
7. Non-Profit organization	V	
8. IRS Non-profit number	V	
9. Governing board members have no material conflict		
10. Board members serve without compensation		
11. If purchase land, method to repay State (N/A)		
Comments: Applicant provides declaration statement, however, item	42.3,	4,6,
Applicant provides declaration statement, however, item 9,10, Not addressed in growt write-up. This is a grant for operating funds - not Capt		//
This is a grant for operating funds - not Capit	tal.	
Gal is to collect oral histories of WWF Vets from ,	Kavai	
\$ 16,000 of fende will be and to purchase 2	Elux	muc
Kiosk (designated as Capital) and \$5,300 use	d to P	urdes
lquisment.		
Construction of and of Hour is \$ 14,500 PRue CEP	project	<u>-).</u>
<u> </u>		

PACIFIC A VIATION MUSEUM

STATEMENT OF FINDINGS AND RECOMMENDATIONS CAPITAL IMPROVEMENT PROJECT

FY 2008-2009

Log No:

Department;

Progam ID:

DEF 1/2

Organization:

Service Activity:

Hier of Vetrans Souices

Does request comply with

qualifying standards and conditions?

Yes Yes

Does request serve a public purpose?

Dept. Recommendations Dept. Adjustment

FY 2009

Original Request

Operating Expenses:

Land Acquisition:

Construction:

Design:

Equipment:

Total Requirements:

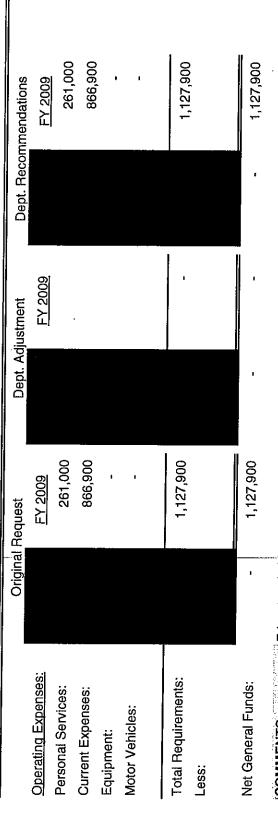
Net General Funds:

Standards for Award of Grants and Subsidies

Name of organization: PACAJE AVIATION MUSEUM	<u></u>	
Pearl Harbon	<u> </u>	
Date: Feb 28,2008		
	Yes	NO
Are Licensed or accredited in accordance with feds or State	~	
2. Comply with applicable fed and State laws - no discrimination		
based upon race, color, national origin, religion, creed, sex age, sexual		•
orientation, or disability.		
3. No entertainment or lobbying with funds		
4. allow State full access to all records and files		
5. Incorporated under laws of the State		
6. Has bylaws or policies that describe activities and services that grant		
funds used to provide.		
7. Non-Profit organization		
8. IRS Non-profit number	V	
9. Governing board members have no material conflict		
10. Board members serve without compensation		
11. If purchase land, method to repay State N/A		
Comments: Applicant provides declaration statement, however, 2,3,4,6,9,0 were not addressed in with applicant seeks to restore hought 79 on First February to construct museum exhibits inside of hought The requested \$1,00,000 Will be used to renowte penger 79. No mention is made of low to pay state threll against ofunction. No of who overne property.	19 <u>.</u> I loust n	ust_
- function. No of who ocens property.		
, ,		

STATEMENT OF FINDINGS AND RECOMMENDATIONS **OPERATING**

Log No:	DEF- 228-O		
Department:	Defense	Does request qualify as a POS?	Yes No x
Progam ID:	DEF 112	If yes, what POS service activity?	(not applicable)
Organization:	USS Missouri Memorial Association, Inc.	Does request comply with	
Service Activity:	(not applicable)	qualifying standards and conditions?	Yes x No
		Does request serve a public purpose?	Yes_x_No



COMMENTS: Educators in Hawaii sesire memorable venues to share learning objectives, involve community perspectives, and provide age related exposure to foundational concepts that meet federal and state requirements. USSMissouriOP.pdf

Nicole's INPUT:

Recommend forwarding and review by Department of Education (EDN)

goals and objectives related to request:

"Educators in Hawaii desire memorable venues to share learning objectives, involve community perspectives, and provide age related exposure to foundational concepts that meet federal and state requirements."

public purpose and need to be served:

".....efforts aim to bring representative students, veterans, and educators from each Title 1 public school community (200) in Hawaii to participate in a field trip or overnight encampment educational experience that leaves a lasting inter-generational impact."

"This funding allows the Battleship Missouri to provide resources in line with the DOE."

target population to be served and the geographic coverage:

200 veterans (educators select appropriate veterans to participate). Veteran organizations have committed to help find qualified veterans if needed. **...numbers are conservative minimums. Previous efforts prove community donors and schools will dedicate additional funds to match seed funds to increase the number of students/educators/veteran participants....**

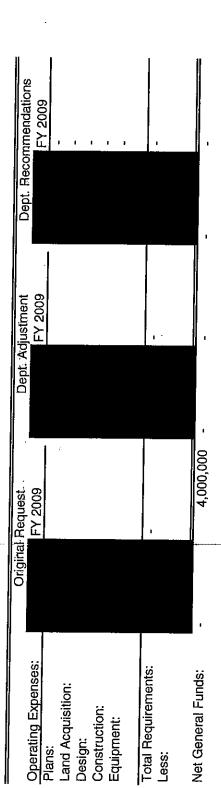
"This grant in aid funding is critical in getting logistical and financial support for schools to attend."

GIA fulfills a public purpose

Packet complete: all documents are signed and budget worksheets included, thorough, solid management expertise

Budget Request by Source of Funds WORKSHEET-#9 \$33k; Will the State pay for participant food?

FY 2009-2010	Yes x No	Yes x No	
	Yes	Yes	
Does request comply with	qualifying standards and conditions?	Does request serve a public purpose?	
		demorial Association, Inc.	
DEF- 229-C Defense	DEF 112	USS Missouri Memorial	(not applicable)
Log No: Department:	Progam ID:	Organization:	Service Activity:



COMMENTS: This request aims to secure funding for industrial renovation and maintenance that cannot be completed

Nicole's INPUT:

Recommend APPROVAL OF REQUEST with adjustment to amount (reduction)

cover page of application is marked as GRANT REQUEST - CAPITAL

goals and objectives related to the request:

"This request aims to secure funding for industrial renovation and maintenance that cannot be completed by the current employees or volunteers or the pier location. Our objective is the secure underwater surfaces such as the hull and rivet seams as well as high risk maintenance areas that are impossible to reach for preventative corrosion maintenance without commercial crane access. The Battleship Missouri has not had industrial renovation or maintenance since the late 1980s/early 1990s."

state the public purpose and need to be served:

"This funding request will provide the necessary industrial maintenance to insure the integrity of the underwater battleship structure, preventative system design, staff training, and maintenance document archiving."

describe the target population to be served and the geographic coverage:
"Preservation of the ship is critical to serve current and future global target
populations....By providing industrial funding, the integrity of the ship will be saved as
well as the previous local investment of volunteer time and donation effort. Target
segments include......thousands of local, national, and international veterans."

describe the scope of work:

"The detailed scope of work is still in development."

GIA fulfills a public purpose

Packet complete: all documents are signed and budget worksheets included, thorough, solid management expertise

Budget Request by Source of Funds WORKSHEET-organization is asking state for \$4M; it anticipates \$6,403,000 in other sources of funding; perhaps consider funding a portion of the \$3,693,500 in other current expense categories that directly addresses renovation and maintenance [item B9 thru B15]

Note that two bills for the same purpose are moving through the Legislature (SB2807 & HB3381). If approved, organization may receive a generous grant for renovation and maintenance next FY

*HB3381:OVS provided TAC testimony in support on 2/4/08