

House District 43

Senate District 20

**THE TWENTY-FOURTH LEGISLATURE
HAWAI'I STATE LEGISLATURE
APPLICATION FOR GRANTS & SUBSIDIES
CHAPTER 42F, HAWAI'I REVISED STATUTES**

Log No: 59-C

For Legislature's Use Only

Type of Grant or Subsidy Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST DEPARTMENT OF HUMAN SERVICES
AND PROGRAM I.D. NO. _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:

Dbas: HALE KIPA, INC

Street Address: 615 Piikoi Street, Suite 203
Honolulu, Hawaii 96814-3139

Mailing Address: (Same)

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name Ernest 'Punky' Pletan-Cross

Title President and Chief Executive Officer

Phone # 808-589-1829, ext 101

Fax # 808-589-2610

e-mail punky@halekipa.org

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION
- FOR PROFIT CORPORATION
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL

7. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

Acquire land and build a Services Center, School and Residential Shelters

(Maximum 300 Characters)

4. FEDERAL TAX ID _____

5. STATE TAX ID _____

6. SSN (IF AN INDIVIDUAL): _____

8. FISCAL YEARS AND AMOUNT OF STATE FUNDS REQUESTED:

FY 2007-2008 \$ 4,000,000

FY 2008-2009 \$ _____

9. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ 1,500,000

FEDERAL \$ -0-

COUNTY \$ -0-

PRIVATE/OTHER \$ 400,000

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

Ernest 'Punky' Pletan-Cross, President and Chief Executive Officer - January 30, 2007

AUTHORIZED SIGNATURE


NAME & TITLE

DATE SIGNED

BUDGET REQUEST BY SOURCE OF FUNDS

(Period: July 1, 2007 to June 30, 2009)

Applicant: Hale Kipa, Inc.

BUDGET CATEGORIES	Total State Funds Req'd (a)	Federal (b)	C&C (c)	Private/ Others (d)
A. Personnel Costs				
1. Salaries				
2. Payroll Txs, Assessments				
3. Fringe Benefits				
Total Personnel Costs	0	0	0	0
B. Other Current Expenses				
1. Airfare, inter-island				
2. Insurance				
3. Lease/Rental of Equip				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
Total Other current exp.	0	0	0	0
C. Equipment Purchases	0	0	0	0
D. Motor Vehicle Purchases	0	0	0	0
E. Capital	\$4,000,000	\$1,500,000	\$2,000,000	\$10,661,000
TOTAL (A+B+C+D+E)	\$4,000,000	\$1,500,000	\$2,000,000	\$10,661,000
SOURCES OF FUNDING		Budget Prepared By: Lee Carson 589-1829 ext. 116		
(a) Total State Funds Req'd	\$4,000,000	Name 		
(b) Federal	\$1,500,000	Signature of Authorized Official		
(c) City & County	\$2,000,000	Ernest Pletan-Cross		
(d) Private/Others	\$10,661,000	President & CEO		
(e) State Funds Prev. Allocated	\$1,500,000	Date 1/30/2007		
TOTAL REVENUE	\$19,661,000	Name and Title		

Application for Grants and Subsidies

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

I. 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. Include the following:

1. A brief description of the applicant's background;

Since its founding in 1970 by a group of concerned Oahu citizens and community groups to operate a single group shelter for runaway, throwaway, and homeless adolescents in need, Hale Kipa has made a profound difference in the lives of some 36,000 at-risk youth in its 36 years of existence.

Today, Hale Kipa is a dynamic and accredited 501(c)(3) non-profit agency that has become the leading private nonprofit service agency of its kind in the State of Hawaii. From its initial inception in urban Honolulu, Hale Kipa now serves annually some 3,000 at-risk youth, together with their families and guardians, throughout the islands.

Hale Kipa offers its clientele dozens of comprehensive youth service programs that span an entire continuum of need, from prevention and shelter services to foster care, transitional / residential homes and youth outreach. Please see Attachment No. 1 for a roster of Hale Kipa Programs.

2. The goals and objectives related to the request;

Hale Kipa's residential shelter services operate 24-hours-a-day, seven days a week at various locations on Oahu, providing safe haven to troubled youth working through their problems, and offering support to parents and guardians endeavoring to keep the family unit intact. Statewide Hale Kipa provides comprehensive, community based services for children and families known to the child welfare and juvenile justice systems—or at risk of becoming known to these systems—to prevent out-of-home placements of youth.

Unfortunately many of our shelters are outdated and non-ADA compliant residential structures, and continued maintenance has become an expensive burden upon the agency budget.

Hale Kipa is seeking to build the Hale Kipa Services Facility in the West O'ahu community of Ewa, which upon completion will consist of a 30,000 sq. ft.. ADA-

compliant services center and eight 3,000 sq.ft., 4-bedroom, ADA-compliant residential shelters. Hale Kipa has signed a Purchase Agreement to buy fee simple property that will provide the agency an ideal location from which youth and families can be served.

The multi-purpose services center will house a school and classrooms for program youth, counseling rooms, conference rooms, and administrative offices. The strategic relocation and consolidation to 'Ewa of programs and personnel from separate Oahu facilities will provide Hale Kipa a more efficient and effective operation, and will facilitate easier access to facilities by clients, family members, agency staff and other visitors.

The residential shelters will provide temporary lodging, a structured environment and emotional support for adolescents who are in crisis and / or facing the prospect of homelessness. Hale Kipa has several programs for youth which are best served by not being in a residential neighborhood. By consolidating several of these residential shelters in a campus setting large enough to provide both a sense of security for at-risk youth and a buffer zone for nearby residents, Hale Kipa will alleviate the friction caused by the close proximity of these facilities to other inhabited structures in quiet neighborhoods.

It is very important to Hale Kipa, Inc. that any project undertaken be a sustainable project; we want to permit the generations who follow us to enjoy the same opportunities we do. There are many benefits of sustainability:

- Environmental – reduce the impacts of natural resource consumption
- Community – Minimize strain on local infrastructures and improve quality of life
- Health & Safety – Enhance occupant comfort and health
- Economic – achieve a higher performing building than with conventional approaches
- Operating costs – lower utility costs significantly; optimize life-cycle economic performance
- Occupant Performance – increase work and learning productivity; student performance is better in day lit schools
- Absenteeism and turnover – Providing a healthy workplace improves employee satisfaction

Further, Hale Kipa will comply with the U.S. Green Building Council's "Leadership in Energy and Environmental Design" (LEED) specifications for "New Construction and Renovations" (NC) to ensure that the project will result in a "green" facility.

The USGBC ranks such projects on four levels – certified, silver, gold and platinum, with the latter being the highest level attainable. LEED / NC-certified buildings and facilities are noted for sustainability and harmony with the surrounding environment; have significantly lower operating costs; reduce the

amount of waste that is sent to area landfills; conserve natural resources; and enhance the health and productivity of its occupants.

Therefore, contingent upon funding, Hale Kipa's project planning, design and construction will seek USBGC's silver or gold-level LEED / NC certification, by addressing agency requirements in the following categories: Sustainable Site Development, Water Efficiency, Energy and Atmosphere, Materials and Resources, Indoor Environmental Quality, and Design Innovation.

3. State the public purpose and need to be served;

Hale Kipa is an integral part of the State of Hawaii's social safety net for youth. Construction of this campus will enable the agency to more effectively and efficiently meet the many diverse needs of at-risk youth in one on-site location, and will also consolidate the agency's operations in close proximity to a rapidly growing service area in West Oahu, allowing the administration to more immediately and efficiently sustain key program services and obligations.

4. Describe the target population to be served;

Hale Kipa has already made a profound difference in over 36,000 lives since its 1970 founding, and annually services about 3,000 at-risk youth whose lives have reached the point of dysfunction. The agency's clientele includes runaway and throwaway children, status offenders, pregnant teens, youthful offenders under court supervision, and youth served by the Department of Health's Child and Adolescent Mental Health Division, among others.

5. Describe the geographic coverage; and

Hale Kipa's service to West Oahu communities has grown proportionally with the rise in population in that region. However, the agency has and will continue to effectively provide services and shelter to at-risk youth on a statewide basis.

6. Describe how the request will, in the case of a grant, permit the community to benefit from those activities; or for a subsidy, reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

Because Hale Kipa does not charge its clients for services, the agency depends upon both government and private sources for its funding. The proposed consolidation of operations and relevant administrative services will enable Hale Kipa to more effectively meet the many diverse needs of at-risk youth in Hawaii, and allow staff to immediately and efficiently sustain agency services and obligations. The Services Center's conference rooms will be made available to the public for community meetings. And by housing residents on a large and self-contained campus, rather than scattering them piecemeal throughout the

community, Hale Kipa will alleviate the prospect of continued friction with up to eight programs.

After the new facilities are built the agency's occupancy costs relative to its total budget will allow Hale Kipa to serve more clients at relatively stable costs, with more contract funds going directly to programs. Shelter residents will in many instances also be closer to home, and its convenient location in Ewa will enable families to more readily visit shelter facilities, an intangible but valuable aid in the reconciliation process.

The school will also help Hale Kipa be more effective in continuing the clients' education while receiving treatment. Often our youth cannot attend to their traditional school for a variety of reasons. Children in our shelters may need to be kept safe or they may not be quite ready to return to their previous classrooms. This on site school means they will be able to attend school in a formal classroom setting, which will help prepare them for return to the public school in their respective communities upon their transition from shelter programs.

II. Experience and Capability

A. 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.

Hale Kipa has for over thirty-six years successfully met the needs of at-risk youth, with a solid reputation and track record for achievement. Hale Kipa's administration also brings years of knowledge and experience to the project. Please see Section III, "Proposed Staffing and Organization", for further details on the individuals who will bear the responsibility for bringing the project to fruition.

B. Quality Assurance and Evaluation

The applicant shall describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate and improve their results.

The Project Manager will be responsible for the oversight of all development-related processes – which will include contract procurement, timelines, and cost and fiscal management – and will work with the architect and lender to ensure that the project will be completed in a timely manner and according to prior specifications. The Project Manager will be overseen by the CEO, and any material deviations from specifications and schedules will be reported to and approved by the CEO, who is accountable to the Board of Directors.

C. 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. Also describe how the facilities meet ADA requirements, as applicable.

The 30,000 sq. ft., ADA-compliant Hale Kipa Services Center will be a multi-purpose facility, and will house classrooms, conference rooms, training facilities, and program support staff.

The 3,000 sq. ft., ADA-compliant residential shelters will house clients from the Department of Health's Child and Adolescent Mental Health Division, and the Department of Health and will also be used for emergency shelter homes.

III. Personnel: Project Organization and Staffing

A. 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.

President and Chief Executive Officer is Ernest M. "Punky" Pletan-Cross, who founded a multi-service adolescent and family counseling agency, LUK, Inc., in Fitchburg, Massachusetts in 1970, where he served as chief executive officer until joining Hale Kipa in 1998. Mr. Pletan-Cross also held an adjunct faculty position at Fitchburg State College, where he taught classes in human services, juvenile justice, and crisis intervention, among others. He is a nationally recognized expert in his field, and has conducted numerous workshops covering a wide range of management and clinical topics.

Since coming to Hale Kipa, Mr. Pletan-Cross has overseen an unprecedented period of growth for the agency, which includes an expansion of its foster care services, and implementation of several important new programs that target the needs of homeless and other at-risk youth.

Project Manager Lee Carson, a recently-retired Bank of Hawai'i executive with 31 years' experience, will be responsible for the oversight of all development-related processes – which will include contract procurement, timelines, and cost and fiscal management – and will work with the architect and lender to ensure that the project will be accomplished in a timely manner and according to prior specifications. The Project Manager will be overseen by the CEO, and any material deviations from specifications and schedules will be reported to and approved by the CEO.

Overseeing the entire project is the Hale Kipa Board of Directors, which contains several members with experience in bringing major development projects to fruition. Chris Deuchar, President of US Pacific Development LLC currently serves as chair of the Property Committee, and brings to the project a wealth of knowledge and experience in real estate development. Other Property Committee members are Phil Gray and Luis Salaveria, both with extensive experience in real estate development. Phil Gray is a long time developer and committee member Luis Salaveria is the property group finance manager for Kaiser Permanente Health System in Hawai'i.

B. 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 organizational chart that illustrates the placement of this request.

See the attached organizational chart. Attachment 2

Project Manager Lee Carson will report regularly to Hale Kipa President and CEO Ernest M. "Punky" Pletan-Cross, who must approve any material deviations from project specifications and schedules. Process will be tracked on a weekly, monthly and quarterly basis, and also at the completion of a particular phase of the contract. The Board of Directors – a roster of which is also attached – will receive regular reports from both the CEO and Project Manager. The President / CEO will also report on a regular basis to the Board.

IV. 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 or outcomes from this request.

A. Describe the scope of work, tasks and responsibilities.

1. HK will close on the property no later than April 30, 2007.
2. Environmental Assessment and Conditional Use Permits to be applied for by mid Feb. 2007
3. Architectural plans by July 1, 2007
4. Construction Plans by October 1, 2007
5. Building permits applied for by October 1, 2007
6. Construction bidding by October 1, 2007
7. Start of construction, contingent on receiving permits, but hopefully by November, 2007
8. Completion of phase I of project by 4th Quarter 2008 – 1st Quarter 2009

B. The applicant shall provide a projected annual timeline for accomplishing the results or outcomes of the service.

See attachment 3

V. Financial

Budget

The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.

See attachments 4a – 4d

VI. Other

A. 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.

Hale Kipa is a defendant in a civil lawsuit filed in Hawai'i Circuit Court of the First Circuit on February 22, 2005. The Plaintiff alleges that he was the subject of discrimination because of a previous Worker's Compensation claim, and also alleges that Hale Kipa breached an implied contract of employment with him. Hale Kipa denies the allegations

and is vigorously defending against this claim. On May 25, 2005, the court ordered arbitration pursuant to Hale Kipa's arbitration provision. However, to date, Plaintiff has not taken any steps to commence any arbitration proceedings, nor has he taken any other action to which we are aware to pursue this matter.

B. Licensure or Accreditation

Specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request.

Hale Kipa is fully accredited by the Council on Accreditation, to ensure an operation with high administrative, fiscal and program standards. Hale Kipa, Inc.'s facilities are similarly licensed and regulated by **Department of Health - Office of Health Care Assurance** and the **Department of Health – Child and Adolescent Mental Health Division**.

HALE KIPA, INC

Programs and Services

Residential Programs

Community Based Residential: program for youth aged 8 to 12 years.

Hapai Homes: Skill-building residential program for pregnant and parenting teens.

Independent Living Residential Program: Residential program for men and women aged 17.5 to 21 years transitioning out of foster care or Hawai'i Youth Correctional Facility into adulthood.

Therapeutic Group Homes:

CMHS Community Mental Health Shelter: Short-term stay for youth ages 12 – 18 who are accepted into a program but need to wait for an opening.

LGBTQ Residential program for Lesbian, Gay, Bisexual, and Transgendered teens.

Passages I Independent living therapeutic group program for youth ages 16-18.

Passages II Independent living therapeutic group program for youth ages 18 – 21.

Transitional Living Program (TLP): Outreach and residential services to youth

Prevention/Intervention

Hawai'i Advocate Program (HAP): Statewide services provided to children and families known to—or at risk of becoming known to—the child welfare and juvenile justices systems.

Ho`okala Diversion Program: To keep youthful offenders from incarceration.

Hui Malama `Ohana Youth Service Center (HMO): School-based services to develop positive behaviors and support systems.

Intensive In-Home Services: Bringing clinical therapy and services to families and youth in their home, helping families stay together.

Independent Living Programs (ILP): Outreach services for youth in foster care ages 13-19 years to prepare them for interdependent living.

Valid Court Order: Advocacy program for youth that violate court orders.

Outreach: Youth Outreach (YO): Street outreach, case management, counseling and services to runaway, homeless and street-identified youth.

Shelter Services

Group Shelters: Short-term placements and counseling services in a group setting for youth with families in crisis.

Kamala Homes: Short-term placements with counseling services for youth whose needs are best met in a family setting.

Foster Care

Foster Parent Development Program: Recruits, trains and supports foster families.

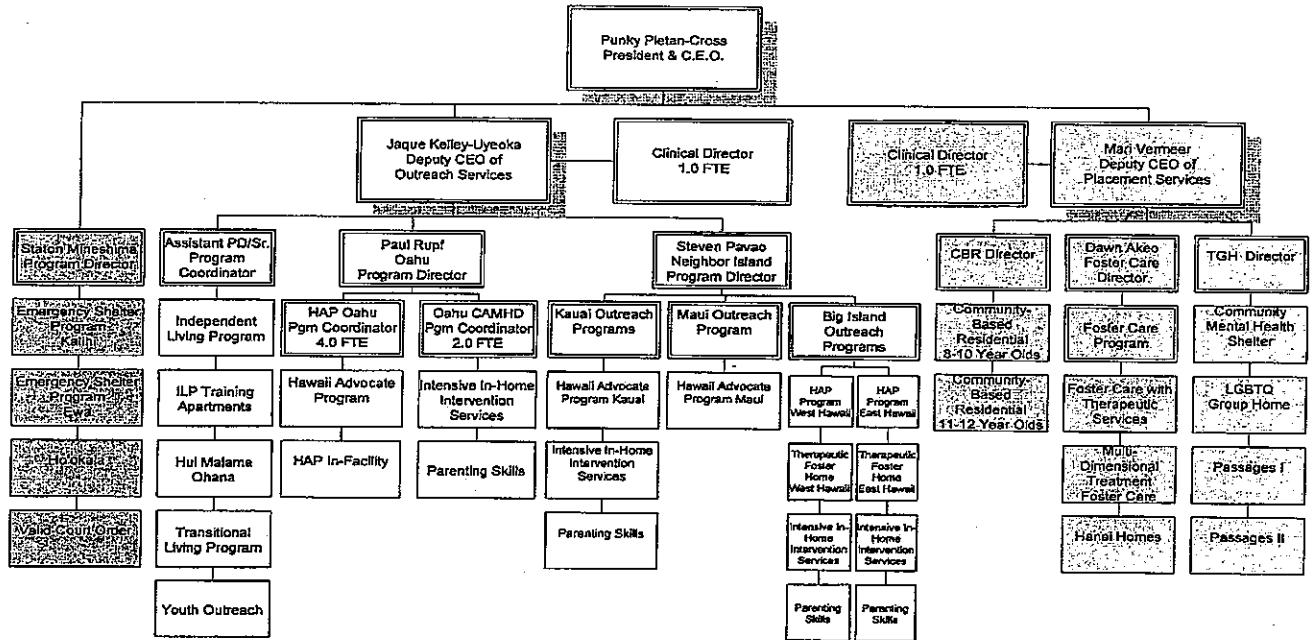
Hanai Homes: Skill-building foster care program for youth in transition to long-term foster homes or preparing to return to their families.

Multi Dimensional Treatment Foster Care (MTFC): Highly structured foster home environment with intensive daily supervision.

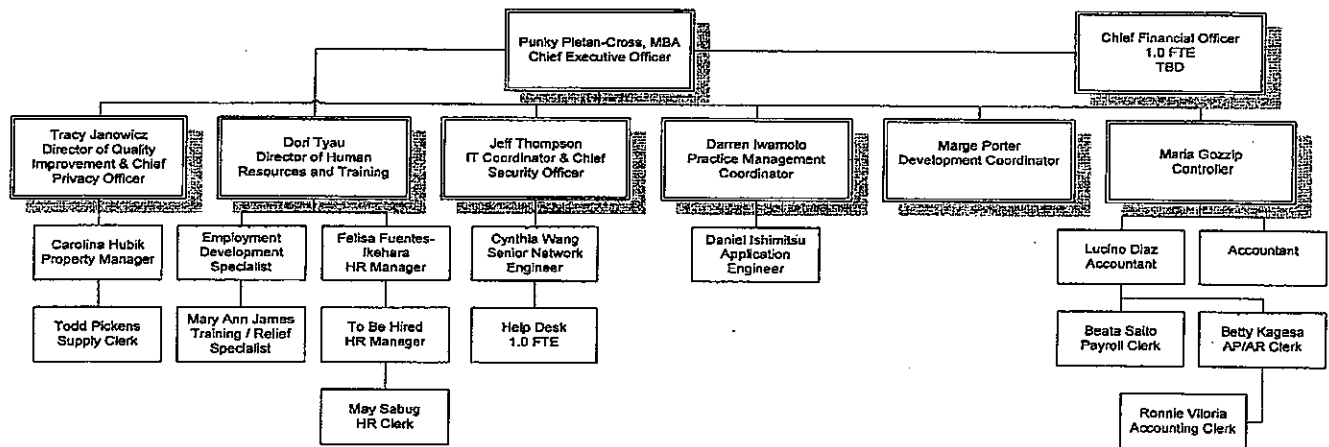
Therapeutic Foster Care: Longer term foster home placements with individual and family therapy.

HALE KIPA ORGANIZATIONAL CHARTS

PROGRAM ORG. CHART



BUSINESS OFFICE ORG. CHART



**Financial
Attachments
4a – 4d**

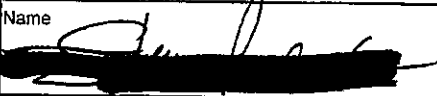
Applicant: Hale Kipa

Attachment 4a	Budget Request by Source of Funds
Attachment 4b	Personnel (Not Applicable)
Attachment 4c	Equipment (Not Applicable)
Attachment 4 d	Capital Project Details

BUDGET REQUEST BY SOURCE OF FUNDS

(Period: July 1, 2007 to June 30, 2009)

Applicant: Hale Kipa, Inc.

BUDGET CATEGORIES	Total State Funds Req'd (a)	Federal (b)	C&C (c)	Private/ Others (d)
A. Personnel Costs				
1. Salaries				
2. Payroll Tx's, Assessments				
3. Fringe Benefits				
Total Personnel Costs	0	0	0	0
B. Other Current Expenses				
1. Airfare, inter-island				
2. Insurance				
3. Lease/Rental of Equip				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
Total Other current exp.	0	0	0	0
C. Equipment Purchases	0	0	0	0
D. Motor Vehicle Purchases	0	0	0	0
E. Capital	\$4,000,000	\$1,500,000	\$2,000,000	\$10,661,000
TOTAL (A+B+C+D+E)	\$4,000,000	\$1,500,000	\$2,000,000	\$10,661,000
SOURCES OF FUNDING		Budget Prepared By: Lee Carson 589-1829 ext. 116		
(a) Total State Funds Req'd	\$4,000,000	Name		
(b) Federal	\$1,500,000			
(c) City & County	\$2,000,000	Signature of Authorized Official		
(d) Private/Others	\$10,661,000	Ernest Pletan-Cross		
(e) State Funds Prev. Allocated	\$1,500,000	President & CEO		
TOTAL REVENUE	\$19,661,000	Name and Title		Date
				1/30/2007

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: **Hale Kipa**

Period: July 1, 2007 to June 30, 2009

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Not Applicable			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:			\$ -	
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
Not Applicable			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:			\$ -	
JUSTIFICATION/COMMENTS:				

**Attachment 4c
Not Applicable**

**BUDGET JUSTIFICATION
CAPITAL PROJECT DETAILS**
Period July 1, 2007 to June 30, 2009

Applicant: Hale Kipa, Inc.

FUNDING AMOUNT REQUESTED			
TOTAL PROJECT COST	ANY OTHER SOURCE OF FUNDS RECEIVED IN PRIOR YEARS FY: 2005-2006	STATE FUNDS REQUESTED FY: 2007-2008	FUNDING REQUIRED IN SUCCEEDING YEARS FY: 2008-2009
PLANS			
LAND ACQUISITION			
DESIGN		\$900,000	
CONSTRUCTION	\$1,500,000	\$3,100,000	
EQUIPMENT			
TOTAL:		\$4,000,000	

JUSTIFICATION/COMMENTS:

Hale Kipa, Inc. (HK) has provided shelter and outreach services to the community for the past 36 years. Since 1999, HK has greatly expanded its services to the youth of Hawaii. Fully aware of ADA compliance issues, the agency was compelled to lease facilities in various locations, paying commercial rates to accommodate the increase in services and staffing. To optimize its limited resources, and to better position itself in an economically uncertain future, HK recognizes the need to consolidate its operations and build a facility with the goal of sustainability. We plan to build silver or gold certified LEED buildings. HK aims to continuously provide essential services to the community in an effective, efficient and economical manner, and in accordance with government and granting authorities' requirements including ADA and accreditation. HK is accredited by the Council on Accreditation (COA) for assuring the agency is following high professional standards. HK also has a history of clear financial audits and is in compliance with HIPAA standards.

The total project cost is anticipated to be \$19,700,000. The \$4,000,000 requested is 20.3% of the total amount. As you can see, we have already generated \$1,900,000. We will raise the remaining \$13,800,000 from non-State of Hawaii government sources