

House District 1,2,3
Senate District 1,2,3

THE TWENTY-FOURTH LEGISLATURE
HAWAII STATE LEGISLATURE
APPLICATION FOR GRANTS & SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES

Log No: 67-0

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 (LEAVE BLANK IF UNKNOWN):
Department of Labor and Industrial Relations, Office of Community Services

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Hawaii County Economic Opportunity Council
Dba: same

Street Address:
47 Rainbow Drive, Hilo, HI 96720

Mailing Address:
47 Rainbow Drive, Hilo, HI 96720

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name George Yokoyama

Title Executive Director

Phone # 808-961-2681 ext: 107

Fax # 808-935-9213

e-mail hceocgy@hawaii.rr.com

3. TYPE OF BUSINESS ENTITY:

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

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

6. SSN (IF AN INDIVIDUAL): _____

7. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

Job Creation for 20 low-income, TANF eligible, and unemployed individuals by expanding operations of the Hawaii Biotech (Maximum 300 Characters) Tissue Culture Center

8. FISCAL YEARS AND AMOUNT OF STATE FUNDS REQUESTED:

FY 2008-2009 \$ 350,000

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 \$ _____

FEDERAL \$ 111,517

COUNTY \$ _____

PRIVATE/OTHER \$ _____

TYPE: _____ AUTHORIZED REPRESENTATIVE:

[Signature]
AUTHORIZED SIGNATURE

George Yokoyama, Executive Director
NAME & TITLE

01/31/08
DATE SIGNED

APPLICATION FOR GRANTS AND SUBSIDIES

I. Background and Summary

1. Brief description of the applicant's background.

Hawaii County Economic Opportunity Council (HCEOC) is a private non-profit organization established in 1965 under the provisions of the Economic Opportunity Act of 1964 as amended, and qualifies as a charitable and educational organization under Section 501(c) (3) of the Internal Revenue Code. HCEOC is governed by a twenty-seven (27) member Board of Directors, composed of nine (9) public, nine (9) private, and nine (9) low-income representatives.

HCEOC's mission is to prevent, alleviate, and eliminate conditions of poverty in Hawaii County by:

- Mobilizing and channeling private and public resources into antipoverty action;
- Stimulating new and effective approaches to the alleviation of poverty;
- Establishing and strengthening community partnerships;
- Educating children and youth to become responsible contributing adults in society;
- Assisting low-income individuals to attain economic self-sufficiency.

2. The goals and objectives related to the request.

a. Goal: To establish a self-supporting Hawaii Biotech Tissue Culture Center (HBTCC) for the creation of new jobs for low-income, TANF eligible, and unemployed individuals to attain economic self-sufficiency.

b. Objectives:

- Create 10 additional jobs for low-income, TANF eligible, and unemployed individuals within the 12-month project period.
- By the end of the project period, to have successfully integrated and expanded HBTCC to include mass tissue culturing for biodiesel, biomass, and other agricultural plants.
- Generate income to the point of establishing a self-supporting HBTCC for the production and marketing of plant starts in the quantity in accordance with the demand of product, particularly with biodiesel and biomass production.

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

- a. Public Purpose: The expansion of our operation with additional works will enable HBTCC to increase production, conduct research and development of biodiesel/biomass fuel production, recruit, train, and employ more low-income, TANF eligible, and unemployed individuals to attain economic self-sufficiency and provide them with job skills to seek employment opportunities elsewhere.
- b. Participate in Hawaii's efforts to have 70% of its energy from renewable sources by the year 2030 by propagation of biodiesel and biomass agricultural plants for the realization of renewable energy self-sufficiency.
- c. Stimulate Hawaii's agricultural industry by providing tissue culturing services and other agricultural plants as needed.
- d. Need: In proportion to population, this County has the highest percentage of:
 - TANF/TANOF and Food Stamps recipients as compared to the other counties. (Source: Department of Human Services, January 28, 2008)

TANF/TAONE

Hawaii County – 2.76%
Honolulu – 1.51%
Kauai – 1.13%
Maui – 1.14%

FOOD STAMPS

Hawaii County - 12.44%
Honolulu - 6.64%
Kauai – 6.63%
Maui – 5.69%

- Unemployment Rate – Not Seasonally Adjusted (Source: Department of Labor and Industrial Relations, Hawaii Workforce Informer, <http://www.hiwi.org>)

Hawaii County – 3.6%
Honolulu – 2.5%
Kauai – 3.2%
Maui – 3.4%
State – 2.8%

- More than 75 percent of the TANF clients are unskilled single parent mothers that reside in East Hawaii.

4. Describe the target population to be served.

- a. HCEOC shall continue to serve 24 HBTCC project participants currently employed by applicant.
- b. HCEOC will hire an additional 15 project participants for expansion of HBTCC laboratory and farm operations to reach a point of realizing income.

5. Describe the geographic coverage.

Project covers Hamakua, Hilo, and lower/upper Puna Districts or Representative Districts 1, 2, and 3 (Senatorial Districts 1 and 2) where percentage of low-income is the highest in Hawaii County.

II. Service Summary and Outcomes

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

Hawaii Biotech Tissue Culture Center originated in 2004 as the Orchid Tissue Culture Laboratory Project. HBTCC is a high volume plant tissue culture laboratory established to support Hawaii's floriculture industry and farming communities. Initially, the laboratory served and produced cultivars exclusively for Hawaii's orchid growers.

Presently the HBTCC lab has 24 employees, including 18 full-time technicians specializing in micropropagation. We are housed in an 8,000 square foot facility and equipped to produce over four million plants per year. We currently have a half million plants *in vitro*, with orders exceeding two million. Our customers are located in each of the four counties of Hawaii and range from backyard "mom and pop" operations to large commercial firms.

Our goals are to provide technical training and essential job skills to emerging workforce members, to support expansion of farming opportunities in Hawaii, and to help sustain agriculture as a major component of our state's economy.

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

T A S K	M O N T H											
	1	2	3	4	5	6	7	8	9	10	11	12
Upon receipt of grant, meet with Management Team	X											
Recruit 15 participants	X	X	X	X	X	X	X	X	X	X	X	X
Pre-employment/employment Training of participants	X	X	X	X	X	X	X	X	X	X	X	X
Research & Development of biodiesel/biomass material	X	X	X	X	X	X	X	X	X	X	X	X
Promotion and marketing of products	X	X	X	X	X	X	X	X	X	X	X	X

3. 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.

a. Outline of Process and Outcome Evaluations

- The Human Aspect: The Hypothesis is to create a self-supporting new industry providing adequate wages during the training period, incentive of opportunity for promotion and eventual permanent employment and offering services to family members, the participants, afforded with these compelling forces, will become self-motivated to attain economic self-sufficiency as compared to others who do not have similar support.
- Evaluation methodology is operational/experiential consisting of monitoring of day-to-day activities, data collecting, records keeping, maintaining case management files on each participant of the established interventions for both training and venture expansion aspects of the project.

4. The applicant shall 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.

a. Process Evaluation:

Process Evaluation will measure adequacy of resources and activities of project to ascertain attainment of intermediate outcomes, keeping in mind, linkages between these measurements and the final intended outcome of participants attaining economic self-sufficiency with impact of reduction of TANF cases in target area.

- Pre-employment Training: Participants to develop positive attitudes toward self, family and work as measured by Pre/Post test and by rating sheet maintained for each participant by HCEOC's Case Manager.
- On-the-Job Training: Participants shall acquire skills as measured by their ability to work independently.
- Adequacy of training and resources of funds, space, and equipment necessary for interventions to produce the intermediate outcomes.

- Support Services Activities: All support services prescribed to participants to ensure personal and professional success shall be measured by records of number and types of services provided and number of problems solved and needs fulfilled.
- b. Evaluation of Business Development Aspect
- Venture expansion planned activities: Project expansion accomplished as measured by completion of all necessary tasks on schedule. Venture to become self-operating as measured by sale of products to the point of realizing income.
 - The successful progress of the business expansion as measured by the completion of all tasks for production and marketing with an indication that the project will attain the two-fold expansion within a two-year period
- c. Measurement Instruments:
- Positive Attitude Development: A locally developed semantic differential Attitudinal Test by a clinical psychologist will measure the changes in attitude by pre and post-test method.
 - Job Skills Test: Passing of tests will ascertain the acquisition of skills by participants.
 - Data collected from each intervention described in the Process Measures as well as data collected from each task on the computer.
 - Case Management records.
- d. Data Collection and Review of Activities:
- Daily records maintained by Supervisor for all participants such attendance, performance of work, acquisition of skills, and progress of each participant by Supervisor to Manager.
 - Pre and post performance evaluations will be submitted by the Supervisor to Manager.

- Review of reports and data collected at monthly meeting by Executive Director and Management Team.
- Pre and post comparison of changes made by participants to determine extent of progress made toward attaining skills.

e. Outcome Evaluation:

- Will ascertain the attainment of economic self-sufficiency for 10 new participants and 20 current participants and their families.
- The project indeed increased the production capacity and sales and marketing by two-fold.
- The Impact: Reduction in public assistance cases and unemployment rate in East Hawaii and realization of new money into the target communities.

f. Final Evaluation:

Final Evaluation will review and compile all past progress reports, pre and post test/performance results and data collected for inclusion in the final report showing analysis of successes and shortcomings, if any, and how these were solved, and the attainment in full or in part, the movement of participants from dependency to self-sufficiency.

The evaluation will ascertain that every participant has attained job skills through training and a regular, full-time job which provides a benefit package and hourly wages which significantly exceeds the minimum wage.

A participant survey shall be given at the end of the project period to examine and compare prevailing costs in the local market area for essential items such as housing, food, child care, transportation, health insurance with the level of earning needed to allow the participant/family to be economic self-sufficient in the geographical area in which they reside. Data to be reviewed and evaluated include:

- Client Group Description: Age, gender, race, educational attainment, TANF/government subsidy status, pre and post income, and family size.
- Maturity of business, gross income, skill level required of employees.

- Training to individuals: Skills training, job preparation, self-esteem building.
- All Interventions: Timing, duration, and intensity.
- Outcome Measures: Number of jobs created, cost per job, number of individuals employed (income change at time intervals of 6 months, and 1 year), number of families/individuals achieving self-sufficiency, income benefits, number of individuals/families no longer receiving TANF assistance, savings to government.

III. Financial

Budget – see attached

Anticipated quarterly funding requirement for the fiscal year 2008-2009.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$74,600	\$91,800	\$91,800	\$91,800	\$350,000

IV. Experience and Capability

1. Necessary Skills and Experience

Brief summary of on-going income producing projects undertaken by applicant:

- Self-Supporting Food Service Program: The Food Service Program has become self-supporting with annual sales of \$850,000. The Program prepares USDA approved meals in East Hawaii for applicant’s Head Start Program, child care centers, County Congregate Meals and the Meals on Wheels Program. Another food service facility in West Hawaii was established to expand program county-side. The program also operates a school cafeteria. 20 jobs were created and filled by former low-income participants who have attained self-sufficiency, off welfare, and became tax-paying citizens.
- Rainbow Falls Gift Shop has been established to attract tourists visiting Rainbow Falls and is used as a vehicle to market Rainbow Falls Connection products. Participants are trained in customer service, conduct inventory, requisition of goods, cash handling, prepare cash and charge deposits, and operate a cash register.

- Incubator Kitchen: Four (4) incubator kitchens have been established and 28 TANF participants are receiving job-based training to produce baked and confectionery items sold in Rainbow Falls Gift Shop and local markets statewide. 12 participants have become independent producers. Project has been established since 1998.
- Hawaii Biotech Tissue Culture Center (HBTCC) Project: Established in 2004, the HBTCC is an expansion of the Orchid Tissue Culture Laboratory Project. Initially, the laboratory serviced and produced cultivars exclusively to Hawaii orchid growers. Currently, the HBTCC has expanded its scope of service to include bio-diesel/bio-mass plant material, green tea, vanilla, vireya, and bamboo.

There are 20 former TANF clients employed in the project. They have demonstrated to an unusual degree their motivation to learn with the outcome of an enviable record of 1.5 percent contamination rate as compared with the U.S. average of 15 percent for tissue culture. Perhaps the most significant achievement to date is the substantiation that TANF clients can be trained as laboratory technicians contrary to the belief of professional orchid growers including college faculty members.

2. Facilities

HBTCC is located approximately three miles south of Hilo and two miles north of Keaau, in the Shipman Business Park, 16-204 Melekahiwa Place, Keaau. The HBTCC consist of 5,110 sq. ft. of laboratory and office space. In July 2006, we increased our facility space by 71%, leasing an adjoining 3,623 sq. ft. warehouse which was converted to an expanded plantlet growing area, allowing the project to increase production.

V. Personnel: Project Organization and Staffing

1. Proposed Staffing, Staff Qualifications, Supervision and Training

A cluster of senior management staff comprise the management team with a proper balance of technical, managerial, and business skills.

- a. Executive Director: Serves as Project Administrator with authority to execute contracts, conducts negotiations on business matters and financial transactions as Chief Executive on behalf of the Board, oversees each component of project, is responsible for grant coordination, and supervises Fiscal Officer and Project Manager.

Key Assets: Personal experience in developing income producing, job training projects for past 17 years. Well versed on international trade, lived and worked in Japan, speaks fluent Japanese, and has many business contacts.

- b. Project Manager: Direct Supervisor for project operations to include production, marketing and promotion. Insures that activities are carried out as scheduled. Prepares reports, maintains records, and conducts job skills workshops for trainees. Oversees on-the-job training of participants.

Key Assets: Incumbent has the knowledge and experience in tissue culturing technology and laboratory operations. Individual is very motivated, conducts industry research, authored numerous publications on orchid cultivation, and gives presentations on HBTCC operations to local schools and community associations.

- c. Fiscal Officer: Incumbent shall oversee the fiscal aspect of the project, maintain separate accounts for project, prepares monthly expenditure reports and financial reports as required by funding agency, follows agency's established fiscal management procedures for proper accounting of public funds.

Key Assets: Incumbent has over 30 years experience with the Agency of which 23 years in the capacity of Fiscal Officer.

- d. Case Manager: Responsible for the recruitment of participants, administering pre-employment skills workshop, maintenance of records of activities carried out by the family development facilitators pertaining to each of the participants, assist in the preparation of progress reports as required by funding agency.

Key Assets: Incumbent has demonstrated the ability to gather, record, and analyze information on low-income participants in applicant's other projects and communicates effectively with management and clients served.

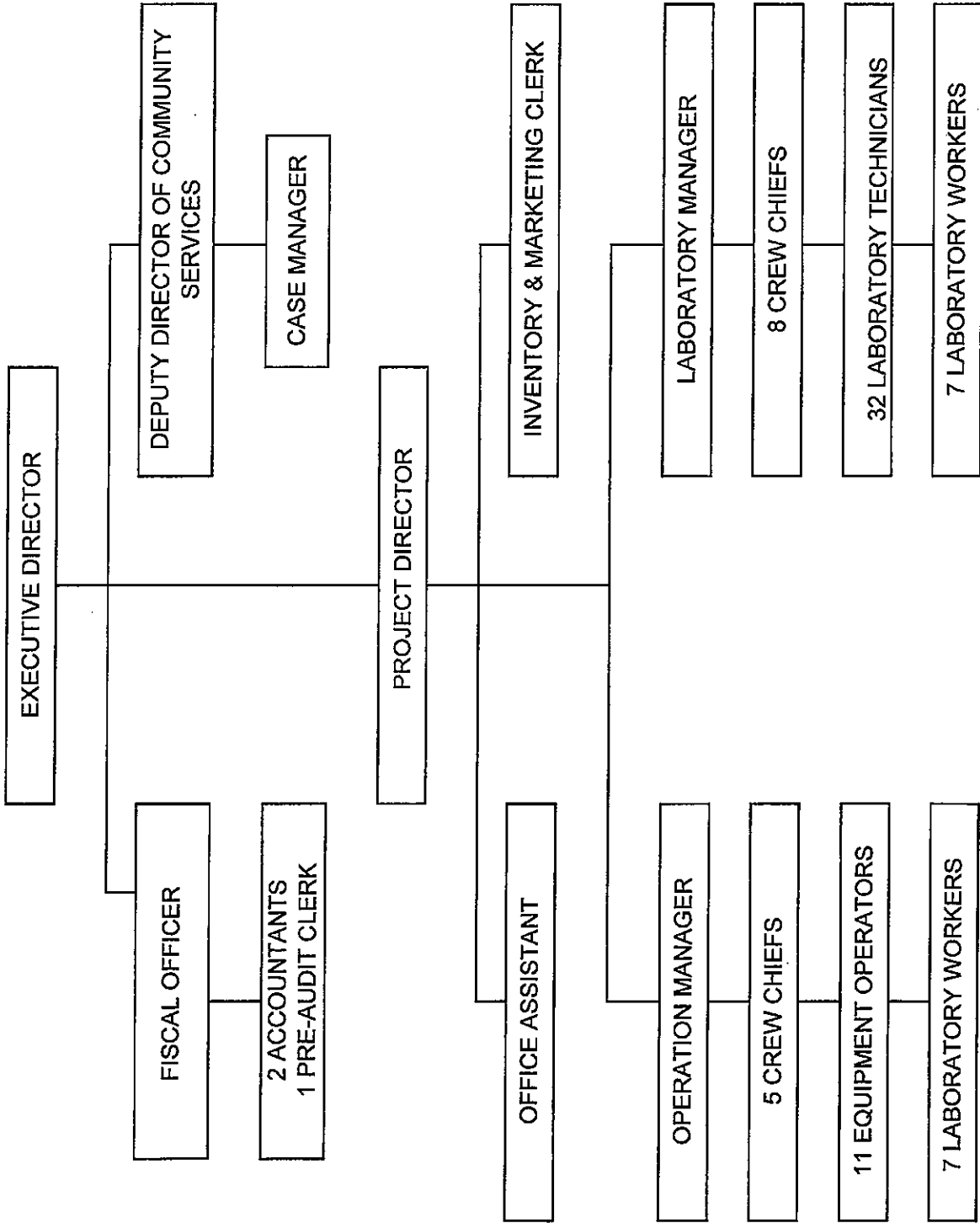
2. Organizational Chart – see attached

VI. Other

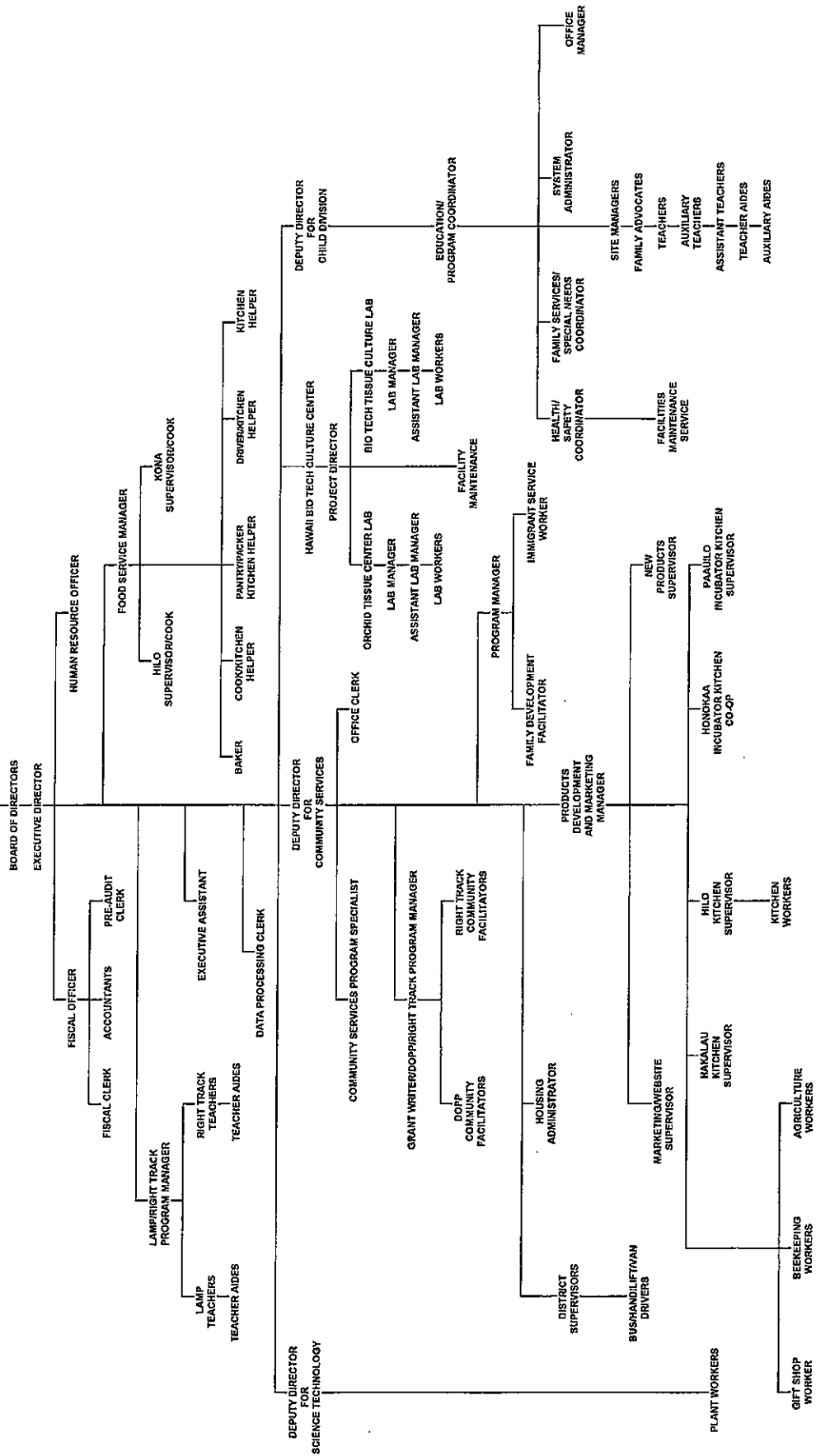
- 1. Litigation – None

- 2. Licensure or Accreditation – None relevant to this request.

HAWAII COUNTY ECONOMIC OPPORTUNITY COUNCIL
HAWAII BIOTECH TISSUE CULTURE CENTER



HAWAII COUNTY ECONOMIC OPPORTUNITY COUNCIL



BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2008 to June 30, 2009)

Applicant: Hawaii County Economic Opportunity Council

BUDGET CATEGORIES	Total State Funds Requested (a)	(b)	(c)	(d)
A. PERSONNEL COST				
1. Salaries	58,100	25,259	9,450	
2. Payroll Taxes & Assessments	8,477	4,397	1,645	
3. Fringe Benefits	10,115	3,686	1,379	
TOTAL PERSONNEL COST	76,692	33,342	12,474	
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance	3,000	750		
3. Lease/Rental of Equipment				
4. Lease/Rental of Space	50,000	10,000	2,150	
5. Staff Training				
6. Supplies	70,000	6,000	2,488	
7. Telecommunication		1,210	250	
8. Utilities	10,000	5,000	685	
9. Data Processing	1,800	810	240	
10. Consultant	23,000			
11. Stipends - Participants	85,508	51,223	18,500	
12. Postage, Freight, Delivery		125		
13. Publication & Printing		250		
14. Contractual - Project Director	30,000	32,400	6,000	
15. Contractual - Lab Manager		24,990		
16. Vehicle Gas & Oil		450	135	
17. Office Maintenance			238	
18. Independent Audit		750	440	
19				
20				
TOTAL OTHER CURRENT EXPENSES	273,308	133,958	31,126	
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	350,000	167,300	43,600	
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	350,000	Toshie Miyasaki 808-961-2681 ext: 104		
(b) Federal Funds	167,300	Phone		
(c) Other Funds	43,600	01/31/08		
(d)		Date		
TOTAL REVENUE	560,900	George Yokoyama, Executive Director Name and Title (Please type or print)		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: Hawaii County Economic Opportunity Council

Period: July 1, 2008 to June 30, 2009

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME BUDGETED TO REQUEST B	TOTAL SALARY BUDGETED IN REQUEST A x B
Executive Director	1	\$83,000.00	10.00%	\$ 8,300.00
Fiscal Officer	1	\$57,000.00	10.00%	\$ 5,700.00
Case Manager	1	\$34,000.00	20.00%	\$ 6,800.00
Operations Manager	1	\$34,000.00	100.00%	\$ 34,000.00
Accountant	1	\$33,000.00	10.00%	\$ 3,300.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				\$ 58,100.00

JUSTIFICATION/COMMENTS:

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Hawaii County Economic Opportunity Council

Period: July 1, 2008 to June 30, 2009

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
NONE			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
NONE			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS: NOT APPLICABLE				

**BUDGET JUSTIFICATION
CAPITAL PROJECT DETAILS**

Applicant: Hawaii County Economic Opportunity Council

Period: July 1, 2008 to June 30, 2009

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ANY OTHER SOURCE OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED		FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2005-2006	FY: 2006-2007	FY: 2007-2008	FY: 2008-2009	FY: 2009-2010	FY: 2010-2011
PLANS				NONE		
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:						
JUSTIFICATION/COMMENTS:						

**DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAI'I REVISED STATUTES**

The undersigned authorized representative of the applicant acknowledges that said applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to section 42F-103, Hawai'i Revised Statutes:

- (1) 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 or subsidy is awarded;
- (2) Comply 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;
- (3) Agree not to use state funds for entertainment or lobbying activities; and
- (4) Allow the state agency to which funds for the grant or subsidy 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 assuring the proper expenditure of the grant or subsidy.

In addition, a grant or subsidy may be made to an organization only if the organization:

- (1) Is incorporated under the laws of the State; and
- (2) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.

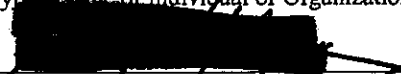
Further, a grant or subsidy may be awarded to a non-profit organization only if the organization:

- (1) Has been determined and designated to be a non-profit organization by the Internal Revenue Service; and
- (2) Has a governing board whose members have no material conflict of interest and serve without compensation.

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

Hawaii County Economic Opportunity Council

(Typed Name of Individual or Organization)


(Signature)

George Yokoyama

(Typed Name)

01/31/08

(Date)

Executive Director

(Title)