

House District _____

Senate District _____

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

Log No: 128-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 (LEAVE BLANK IF UNKNOWN):
DEPARTMENT OF HEALTH

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
KAHUKU HOSPITAL

Dbas: KAHUKU HOSPITAL

Street Address: 56-117 Pualalea Street
Kahuku, Hawaii 96731

Mailing Address: 56-117 Pualalea Street
Kahuku, Hawaii 96731

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name Stephany K. Vaioleti

Title Interim Administrator

Phone # 808-293-9221

Fax # 808-293-2262

e-mail svaioleti@hhsc.org

3. TYPE OF BUSINESS ENTITY:

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

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

6. SSN (IF AN INDIVIDUAL): _____

7. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

Funding to address critical capital, life safety and plant repair projects
(Maximum 300 Characters)

8. FISCAL YEARS AND AMOUNT OF STATE FUNDS REQUESTED:

FY 2008-2009 \$ 4,300,000.00

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 \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ _____

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[Redacted Signature]

Stephany K. Vaioleti, Interim Administrator 1-31-08

AUTHORIZED SIGNATURE

NAME & TITLE

DATE SIGNED

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:*

Kahuku Hospital is a 501(c)(3) rural community based Hospital located in the Koolauloa and North Shore District of Oahu and represents the historical progression of rural health care in Hawaii. The Hospital is designated as a Critical Access Hospital (CAH) by the state of Hawaii and the Medicare program. The Hospital is the emergency safety net for 22,500 residents and approximately one million annual visitors to the North Shore and Koolauloa area.

Established in 1929, the Hospital was a sugar plantation hospital/dispensary. In 1949, the Hospital was became a community 501 (c)(3) non-profit hospital, and continued as an essential link in the emergency services network and primary care health delivery system for Oahu. Kahuku Hospital is licensed for 23 acute and skilled/intermediate (SNF/ICF) care nursing beds. The Hospital provides 24-hour emergency care, general acute services, SNF/ICF nursing, laboratory, radiology, respiratory and rehabilitation services (physical therapy, occupational therapy, speech therapy). The Hospital campus also houses a primary care physician clinic with a number of specialties available.

Like all nine CAH facilities in Hawaii, Kahuku Hospital operates at a deficit and needs continuing operating support funding and capital funding support from the state of Hawaii. On November 6, 2006, the Kahuku Hospital Board of Directors voted to close the Hospital effective December 31, 2006. Through legislation, Kahuku Hospital is working with the Hawaii Health System's Corporation (HHSC) to become an affiliate. The new non-profit entity will be called Kahuku Medical Center (KMC). KMC was established to meet legislative mandates in Act 113 2007; HHSC will be the "Sole Member" of KMC and appoints the KMC Board. KMC has separate employees, books and accounts, etc.

All previous appropriations were for operational shortfalls and transition.

Over the past decade, almost no capital funding has been available and the Hospital's facility support systems and clinical support systems are well beyond their expected lives. Air conditioning systems, broken windows, a dilapidated roof and fire code/life safety systems must be replaced to maintain quality services without compromising or adding unacceptable risk to patient care at the Hospital.

2. *The goals and objectives related to the request:*

Kahuku Hospital's mission is to provide quality primary health care and promote wellness for the north shore communities of Oahu. Over the past decade, the Hospital was financially challenged to reduce expenses in non-essential areas and

at the same time improved the number and quality of services offered to the north shore population. During this time, the Hospital did not have capital funds to update clinical and non-clinical services as was needed to remain technologically current and to properly maintain its property, plant and equipment. A long overdue capital improvement program is needed to upgrade the following areas: buildings and environmental systems, emergency services, and fire code/life safety systems. Funds from this request will be used to improve key functions in these areas so the Hospital can provide the quality of services needed by the its community, physicians and patients. If the Hospital cannot fund acquisition of these capital improvements, patient life safety issues will be compromised.

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

Kahuku Hospital was designated as a Critical Access Hospital (CAH) facility in November 2001. There are now nine such hospitals in the state of Hawaii and each is deemed to be an essential rural provider in its respective area. Kahuku Hospital and other rural hospitals fulfill an important role to outlying rural communities in Hawaii. Without these essential and caring institutions, many individuals would be without access to basic healthcare. It should be noted that all nine CAH facilities in the state have needed state funding to achieve break-even cash flows from operations - some from operating subsidies and some from indirect state funding through the Hawaii Health Systems Corporation (HHSC).

It is essential that Kahuku Hospital continue its mission of delivering quality health care to the 22,500 residents on the North Shore and Koolauloa region of Oahu. The closest acute care hospitals to Kahuku Hospital are Wahiawa General Hospital and Castle Medical Center - both located approximately 45 minutes from Kahuku on a good traffic day. Trauma cases and higher acuity emergency cases must be transferred to Honolulu. There is only a two-lane highway connecting the various towns along the 30-mile stretch of the north shore of Oahu; if an accident occurs, traffic is frequently delayed more than 1½ hours. Delays in accessing emergency services can often be the difference between life and death.

4. *Describe the target population to be served:*

Kahuku Hospital serves 22,500 residents and annually over one million visitors to the North Shore and Koolauloa areas. The Hospital is a major employer of approximately 100 residents of the its service area. The population of Koolauloa is a diverse blend of Native Hawaiian/Pacific Islanders, Caucasians and Asians, which includes students, faculty and staff at nearby Brigham Young University-Hawaii (BYUH) located in Laie. Annually, the Hospital provides emergency services to 4,300 patients along with 5,800 patient days of inpatient care; outpatient services in laboratory, radiology, physical, occupational, speech, and respiratory therapy are also offered.

In the recent year, 479 patients were transported by ambulance to the Hospital, 225 in serious to critical condition. According to Department of Transportation statistics, over 800 serious to fatal accidents have occurred on the Kamehameha Highway linking the 30-mile region over a recent two-year period. Trauma cases are transported by helicopter to tertiary Hospitals in Honolulu. However, the MAST unit which has provided helicopter services to Oahu has ceased services. This will put more pressure on the emergency rooms like Kahuku Hospital to provide better emergency services and improve the linkages with tertiary Hospitals in Honolulu, like Queen's Medical Center.

5. *Describe the geographic coverage:*
The North Shore and Koolauloa area includes the towns and villages between Kualoa Park and Haleiwa. Koolauloa is a census tract comprised of what is known as the "North Shore" (Census Tract 101 – Pupukea, Sunset Beach, Kahuku) and the northern part of Windward Oahu (Census Tract 102 – Laie, Hauula, Punaluu, Kaaawa). The North Shore also includes the area of Census Tract 100 (Waimea Bay to Haleiwa).

II. 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.

1. *Describe the scope of work, tasks and responsibilities.*
 - (a) **Air Conditioning System:** The Hospital has two systems and both are 30 years old or more. The current systems are so old that they cannot be maintained through normal preventative maintenance programs. A central system for the main body of the Hospital is a water chilled system and two of three chillers have been out of service for over five years. Several split unit air conditioning systems are installed in the auxiliary wings of the Hospital and only one of five of these units is still functioning. Portable air conditioners are utilized when the system is not working as the temperature on the patient floor averages 90 degrees. The central system needs new chillers and cooling towers and several of the air handlers within the Hospital need to be replaced; all the old split systems must be replaced.
 - (b) **Roof Repairs:** One wing of the Hospital leaks and cannot be repaired without removing the old roof and installing a new roof. The Hospital has patched the roof periodically but a replacement roof is at least ten years overdue. The roof over the main Hospital needs to be coated with a new sealant to protect its life.
 - (c) **Fire Code / Life Safety:** Elevators, fire alarm, sprinklers, patient rooms and signage require corrections for compliance. Several lights in the exterior driveway lighting system are not working. Blood bank refrigerator cabinets need to be replaced.
 - (d) **Ventilation Improvements:** Majority of exhaust fans are inoperable.
 - (e) **Kitchen Improvements:** Hood area leaks. Interior of kitchen and equipment need to be upgraded.
 - (f) **Replace Nurse Call System:** Nurse call system is obsolete. An updated system is needed to assure patient safety.
 - (g) **Helipad Improvements:** The Healthcare Association of Hawaii and the State Department of Transportation made site visits this past year and made recommendations including: installing recessed lighting, pad must be repainted with special paint for illumination, wind sock tower and orbital lights need to be upgraded to comply with FAA standards. Lighting system to be adapted to solar energy.
 - (h) **Windows/Balcony sliding doors replacements:** A bridge walkway extends from the main Hospital wing to the ancillary wing of the Hospital. Fourteen large windows

are designed into the walkway and several are broken and boarded up. It is a safety issue related to civil defense planning and all 14 windows in the walkway need to be replaced and new support frames installed to reach minimal safety standards. Patient rooms have sliding doors which have been sealed for safety reasons. The doors should be replaced with a wall and window to allow for privacy and allow a source of fresh air when the air conditioning is out.

- (i) **Repainting:** Exterior paint is chalky and faded. Exterior surfaces need painting to protect from natural elements.

Purchase of air conditioning, new roof, call system, helipad improvements, exhaust fans, elevators, and other equipment require and execution of appropriate purchase orders. The reviews, evaluations and selection of portable or mobile equipment will be made by administrative and clinical personnel - including physicians and licensed technicians.

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

It is expected that all aspects of this project will be completed within twelve to eighteen months after funding approval by the state of Hawaii.

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; and*

The Board of Directors will approve all capital expenditures associated with this request and receive monthly reports that provide the status of each capital project and its use. The Hospital /KMC will also provide status reports to the state as required for participation in this capital improvements program.

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.*

The capital equipment and repairs are basic and essential to optimum operations. The emphasis is to provide a minimally optimal safe and secure environment to provide care to acute and long term care patients, as well as provide safe and secure working environment for employees.

III. Financial

Budget

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

The total funding request for these projects is \$4,300,000.00. Equipment is the primary components of each line item. A brief explanation for key items in the request follows:

See attached schedules

2. *The applicant shall provide its anticipated quarterly funding requirements for the fiscal year 2008-2009.*

Kahuku Hospital will comply with appropriate state procurement procedures; note that the goal is to have capital equipment and repair projects completed in the 12-18 months after the start of fiscal year 2008-09; therefore, the quarterly allocations are run \$1million/quarter.

IV. 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.

Kahuku Hospital is currently a non-profit community-owned hospital incorporated in the State of Hawaii. Kahuku Hospital is licensed by the State Department of Health and is designated as a Critical Access Hospital by the state of Hawaii and the Medicare program. As stated above, all services will continue as the Hospital transitions to become Kahuku Medical Center. The Hospital was successfully surveyed by the State Department of Health in 2007 as a general acute care Hospital and a skilled nursing facility. The Hospital has provided care to the community for 74 years and has a medical staff comprised of over 7 physicians representing family practice, internal medicine, obstetrics, podiatry, emergency medicine and others.

As the Hospital emerges out of bankruptcy, Kahuku Medical Center will initiate strategic planning. The needs of the community, collaboration between service providers, including the Ko'olauloa Community Health and Wellness Center, a federally qualified health center(FQHC), and looking at other resources in the area are necessary in order for KMC to move forward.

The Hospital currently operates as a tax-exempt corporation that is governed by a nine-member board of directors, which can include up to eleven members from time to time. The new KMC Board of Directors is presently being created; KMC is also a member of the HHSC Oahu Region, which also includes the Oahu Regional Board. Due to the current management contract in place with HHSC, KMC will continue to have the ability to access support and resources that were not previously available. The Kahuku Medical Center's Administrator has over 25 years experience as a senior healthcare executive in major healthcare systems in Hawaii and on the mainland. The Director of Nursing has over 10 years of experience in all aspects of care provided at the Hospital. The other executive staff members at the Hospital are seasoned healthcare professionals, each with over 10 years experience in Hospital operations.

B. 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.

Facilities and structures are currently available but have experienced significant deferred maintenance and need substantial capital improvements and renovation. Substantially, all the Hospital buildings and services are ADA compliant except for the elevators.

Kahuku Hospital is a rural 23-bed facility that provides comprehensive general acute care and is located on a 17-acre campus. The 23-bed configuration consists of:

Acute	*13	Long Term Care	10
Medical-Surgical	*9	Skilled/Intermediate Nursing	10
Obstetrical	2		
Critical Care	2		

*includes 6 swing beds for support of the CAH program

The CAH program provides better flexibility in treating both acute and skilled nursing levels of care and improves reimbursement from the Medicare cost based program.

Inpatient and outpatient services are provided in our Campbell and Rothwell Wings. The Harry and Jeanette Weinberg Birthing Center within our Rothwell Wing is a modern facility with two birthing rooms that provides patients with a comfortable home-like environment for the birthing experience. We are not providing OB services at this time due to the financial constraints involved. These beds normally serve as labor and delivery rooms, or LDRP rooms when all other Hospital beds are full.

The North Shore Health Center is a primary care clinic located on the campus of Kahuku Hospital. The health center is owned by the Hospital and leased to physicians who practice in the area. The center offers a full range of specialty clinic services such as family practice, gynecology, internal medicine, pediatrics, podiatry and chiropractic medicine. Other services such as general dentistry and clinical psychology are offered through clinic settings in the Hospital facility.

IV. 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.

The Hospital has the necessary staff to organize the project, manage its progress and to supervise, train and otherwise provide administrative direction relative to the request.

The Hospital currently operates as a tax-exempt corporation that is governed by a nine-member board of directors, which can include up to eleven members from time to time. The new KMC Board of Directors is presently being created. KMC is also a member of the HHSC Oahu Region, which also includes the Oahu Regional Board. Due to the current management contract in place with HHSC, KMC will

continue to have the ability to access support and resources that were not previously available. The Kahuku Medical Center's Administrator has over 25 years experience as a senior healthcare executive in major healthcare systems in Hawaii and on the mainland. The Director of Nursing has over 10 years of experience in all aspects of care provided at the Hospital. The other executive staff members at the Hospital are seasoned healthcare professionals, each with over 10 years experience in Hospital operations. For those phases or parts of the project that require outside professional assistance, key professional personnel, or licensed engineers, will be supplied by the contractors, or vendors, who will be supplying the respective equipment. The Hospital currently has biomedical engineering contracts with an outside firm that will assist in performing the necessary testing of clinical equipment prior to use. The Hospital also has under contract or employment, appropriately licensed professionals to operate any of the units of equipment included in this request.

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.

The organizational structure for managing the project is as follows.

Governance of Hospital:

Nine-Member Board of Directors; Eric Beaver, President

Executive Staff of Hospital:

Interim Administrator: Stephany Vaioleti

Director of Nursing: Mikki Hanson, RN

Governance of Kahuku Medical Center:

Board of Directors, Oahu Regional Board of Directors/HHSC

Executive Staff of Hospital:

Administrator: Lance Segawa, ACHE

Assistant Administrator: Stephany Vaioleti

Director of Nursing: Mikki Hanson, RN

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.

After three years of evaluating all reasonable alternatives, the Hospital's Board of Directors finally concluded that the healthcare market in Hawaii made it impossible to financially sustain Kahuku Hospital. Kahuku Hospital lost millions of dollars over the past six years, and its closure would have shut down the only emergency room on the North Shore. Due to the efforts of the state, legislators, Board members, and the community, Kahuku Hospital filed for Chapter 11 bankruptcy in February 2007 instead of closing the facility at the end of 2006.

The transition to becoming an affiliate of HHSC has taken longer than anticipated but the changeover is scheduled for February 15, 2008. The asset purchase agreement, already approved by the bankruptcy court, will be signed by both

parties. The bankruptcy proceedings should be finalized within the year. None of the liabilities of Kahuku Hospital was to be passed on to HHSC or KMC. The legislature approved 1.5 million for operational shortfalls for FY '08 and '09.

B. Licensure or Accreditation

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

The Hospital is licensed by the Hawaii Department of Health and certified by the Center for Medicare/Medicaid Services as a 23-bed Hospital; the configuration includes 13 acute care beds and 10 skilled/intermediate care nursing beds.

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

Applicant: KAHUKU HOSPITAL

BUDGET CATEGORIES	Total State Funds Requested (a)	(b)	(c)	(d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	\$4,300,000--			
TOTAL (A+B+C+D+E)	\$4,300,000--			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	\$4,300,000--	Stephany K. Vaioleti 293-9221		
(b)		Name (Please type or print) Phone		
(c)		[Redacted] 1-31-08		
(d)		Signature of Authorized Official Date		
TOTAL REVENUE	\$4,300,000--	Stephany K. Vaioleti, Interim Administrator		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: KAHUKU HOSPITAL Period: July 1, 2008 to June 30, 2009

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Air Conditioning Upgrade Re-Roofing			\$ 1,243,000.00 \$ 140,000.00	
Fire Code/Life Safety (elevators, fire alarm, sprinklers) Ventilation Improvements			\$ 90,000.00 \$ 145,000.00	
Kitchen Improvements Nurse Call System, Replacements			\$ 270,000.00 \$ 250,000.00	
Helipad Improvements Balcony Sliding Door, Replacements			\$ 145,000.00 \$ 311,000.00	
Re-Painting, Exterior			\$ 506,000.00	
TOTAL:			\$ 4,300,000.00	
JUSTIFICATION/COMMENTS:				

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

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

N/A

Applicant: _____

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

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

N/A

Applicant: _____

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

**DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAII 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, Hawaii 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.

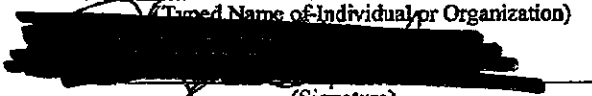
Further, a grant or subsidy may be awarded to a non-profit organization only if the organization:

- (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.

KAHUKU HOSPITAL

(Typed Name of Individual or Organization)



(Signature)

1-31-08

(Date)

Stephany K. Vaioleti

(Typed Name)

Interim Administrator

(Title)