

House District X
Senate District X

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

Log No: 42-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): _____

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual: Innovations Public Charter School Foundation

Db:

Street Address: 75-5815 Queen Ka'ahumanu Hwy
Kailua Kona, HI 96740

Mailing Address: 75-5815 Queen Ka'ahumanu Hwy
Kailua Kona, HI 96740

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name LEE NELSON

Title Business Manager

Phone # 808-327-6205

Fax # 808-327-6209

e-mail leenelson.ipcs@konaimage.com

3. TYPE OF BUSINESS ENTITY:

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

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

REQUEST BY INNOVATIONS PUBLIC CHARTER SCHOOL FOUNDATION FOR FUNDS TO ASSIST WITH CONSTRUCTION OF A MIDDLE SCHOOL FOR INNOVATIONS PUBLIC CHARTER SCHOOL

4. FEDERAL TAX ID #:
5. STATE TAX ID #:

7. AMOUNT OF STATE FUNDS REQUESTED:

FY 2012-2013: \$ 1,000,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

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

New capital construction project.

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

STATE \$ _____
FEDERAL \$834,000
COUNTY \$ _____
PRIVATE/OTHER \$ 166,000

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

Jennifer Hiro, Board Secretary

NAME & TITLE

1/30/12
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;

Innovations Public Charter School Foundation (Innovations Foundation) supports Innovations Public Charter School. The mission of Innovations Foundation is to provide facilities, raise funds for capital campaigns, and to seek contributions to preserve the endowment for Innovations Public Charter School.

2. The goals and objectives related to the request;

The goal of this request is to seek funds to assist with the construction of an Innovations Public Charter School Middle School. Currently, Innovations middle school students are housed in temporary facilities which limits enrollment to 48 students. The new facilities will accommodate up to 160 students. With a waitlist of over 500 students, there is an overwhelming demand for an Innovations education.

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

Currently, Innovations Public Charter School serves 188 students (140 elementary and 48 middle school) in the heart of Kailua –Kona on the Big Island. Our rigorous project based curriculum, rich in the arts and technology has created an overwhelming demand for enrollment in our school. The current wait list for enrollment exceeds 500. The construction of a middle school will allow us to grow to accommodate 300 students. Parents in West Hawaii desire excellence in education. In January 2012, Innovations was the recipient of Charter School Award for Excellence. The three main factors for receiving the award were as follows:

- “Receiving a 20% higher performance rate for academic performance than comparable public schools in the same area as measured by the Hawaii State Assessment” – Innovations has small class size, rigorous project based learning, and tutors in every classroom which translates to better student achievement.

- “Strong willingness to partner with other schools and the surrounding community.” – Innovations has partnerships with over 50 businesses in the community. All 7th and 8th grade students participate in community mentorship and service projects. Business and community partners that mentor Innovations students on a weekly basis for two to five hours include: Safeway, KWXX 93.7, Waimea Surf Classics, World Core Surf Shop, Kona Bay Books, KB Extreme Bowling, Kona Stories, Bike Works, Hospice of Kona, Memory Lane Thrift Store, Jack’s Diving Locker, Intrigue Design Hair Salon, Paws University Dog Training, NPS Kaloko – Honokohau, Miranda’s Pets, Hilton Dolphin Quest, See Through Window Tinting, Alii Vet, Keauhou Vet, Donkey Mill Art Center, Cory Foulk Architect, Kona Boys Kayak Rentals, Creative Day Pre-School, Adaptations Produce Distributor, Chris Johnson Kealakehe High School Band Director, Gregg Lupien Architect, Kailua Candy Company, Inter-island Solar Supply, West Hawaii Today, Moo Betta Yogurt Shop, Urs Leuenberger Woodworker, Kealaola Organic Lettuce Farmers, University of the Nations Preschool, Full Life Hawaii Disabillites, Advocats, Holualoa Ukulele Gallery, Michael Inman Photographer, Jenny Solmirin Kealakehe High School Teacher, Joe Danko Photographer, Kona Business Center, Nose for Adventure, Lindsey Kramer Marine Biologist, Robin Fisher Childcare, Tom Neer Green Building, Vanessa King Acupuncturist, Nate Fine Film Making, and Linda Walton Prosecuting Attorney.

- “Diligently identifying and obtaining funding for the school to ensure sufficient resources necessary to provide quality education” – Innovations Foundation and/or School has received grants from the following foundations and organizations to support their programs and facilities:
 - Atherton Foundation
 - Cooke Foundation
 - Change Happens Foundation
 - Kukio Foundation
 - Hawaii Community Foundation
 - Aid to Teachers
 - Bill Healy Foundation
 - Hawaii Department of Health
 - USDA
 - Walmart Foundation
 - Target Stores
 - Kokua Hawaii Foundation
 - Ezra Keats Foundation
 - Kohala Center
 - NEA Foundation
 - Hawaii Alliance for Arts Education
 - Young Brothers
 - Central Pacific Bank
 - Lowes Stores
 - Altres Staffing
 - Kona Sunrise Rotary Club

- “Delivering quality, student education that embeds technology, the arts, and responsible environmental sustainability within its curriculum.”-
 - All Innovations students receive art, drama, music and environmental studies instruction from specialized resource teachers. Innovations produces eight to ten school and community performances each year. Innovations also has an afterschool Fine Arts Mentorship Program sponsored the Kukio Foundation. The afterschool program has classes in set design, costuming/makeup, drama and music. The program culminates with a full length musical each spring held at the Aloha Theatre.
 - The Department of Health and Windemere Realtors have sponsored the “Innovations Planting Wellness with our Keiki Program” that provides a healthy afterschool snack for our extended day students which incorporates organic fresh fruits and vegetables. Our sustainability coordinator teaches organic gardening. Our school has a fruit orchard and extensive vegetable garden maintained by students and community. Innovations has a school wide recycling, composting (including vermiculture), and reclaimed irrigation program.
 - All classrooms are equipped with state of the art technology including smartboards, elmos, desktop and laptop computers. All students maintain electronic portfolios. Microsoft applications are integrated into curriculum. Students graduate as effective users of technology.

4. Describe the target population to be served;

The middle school construction project will have a capacity to serve 160 students. Students are selected for the middle school by lottery. Innovations complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability. Innovations is a Title I school with over 35% of its students qualifying for free and reduced lunch.

5. Describe the geographic coverage

Innovations students come from all over West Hawaii as far south as Ocean View and as far north as Waikoloa.

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, outcomes, and measures of effectiveness from this request.

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

Construction of a middle school campus. The campus shall consist of the following:

- Four middle school buildings. Each building shall consist of two 1,000 square foot classrooms each with a 500 square foot covered lanai.
- One outdoor 2,000 square foot covered pavilion.
- One restroom building.

Please see building renderings on pages 12, 13, 14, 15 and 16 of application.

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

The timing of project is as follows:

- January 2012 to June 2012 - Planning and obtaining permits for project will be completed by June 30, 2012. Innovations Foundation is using the same building configuration as was used in the construction of elementary school campus. So minimal architecture time and cost will be expended.
 - July 2012 – December 2012 Construction of Middle School Campus.
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;

Innovations Public Charter School Foundation secured in-kind, community donations and commercial financing to purchase 9.298 beautiful fee simple ocean view acres in the heart of Kailua-Kona. With the help of community members and foundations, Innovations has constructed over 15,000 square feet of state of the art classroom and administrative space for its faculty and students. All facilities are fully permitted and ADA compliant.

For the requested middle school project, Innovations Foundation board will take the same great care in building state of the art facilities at the least cost to the state and community. The board has secured an architect to also work as project manager. The actual construction will be a bid process compliant with the foundations procurement policy. All board members are non compensated individuals that have no financial interest or conflict of interest in the project.

Innovations Foundation has an independent financial audit performed annually.

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.

Innovations Foundation mission is to provide the best, state of the art facilities, for the Innovations Public Charter School students to utilize in their journey of becoming lifelong learner and community contributors. Innovations goal is to provide these facilities at the least cost to the state and community.

The foundations goal is to encompass green building practices whenever possible. Landscaping will focus on drought tolerant, Hawaiian indigenous plants. Rain barrels, composting and recycling areas will be included. Buildings will be positioned to take advance of the wonderful island breezes so that no air conditioning will be needed.

Innovations Foundation success will be measured by completing the facilities on time and on budget.

III. Financial

Budget

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

See Budget forms pages 10 and 11 of application.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2012-2013.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
700,000	300,000			1,000,000

3. The applicant shall provide a listing of all other sources of funding that they are trying to obtain for fiscal year 2012-2013.

Innovations Foundation has secured \$834K from the USDA via a 40 year 3.75% permanent note. The Innovations foundation has allocated \$166K of operating funds for the project. Thus, \$1,000,000 of the \$2,000,000 middle school campus funds has been secured.

4. The applicant shall provide a listing of all state and federal tax credits that have been granted within the prior three years. Additionally, the applicant shall provide

a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

Not Applicable.

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.

The Innovations Foundation Board is composed of 50% real estate and financial experienced professions including certified public accountant, real estate developers, business owners, certified investment management analyst, certified investment planner.

The Innovations Foundation Board secured and purchased 9.298 fee simple ocean view acres in Kailua Kona. The board has previously built and/or retrofitted over 15,000 square feet of classroom and administrative space for the school.

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.

Innovations Foundation will construct middle school facilities for Innovations Public Charter School. All buildings will be ADA compliant and comply with all state, county and school building codes. Innovations Foundation constructed the current elementary school campus which is fully permitted and ADA compliant. Architectural drawings of the classroom building (four will be constructed), restroom building and pavilion are included in this application on pages 12, 13, 14, 15 and 16.

V. 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.

Innovations Foundation has no employees. The foundation is run entirely by the volunteer board and community volunteers. The foundation contracted with a local architect to perform the design work and act as project manager. There will be a competitive bid process for the construction phase per the Innovations Foundation and USDA procurement requirements. The Innovations foundation board shall oversee the project.

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.

Innovations Foundation is managed by a volunteer board made up of Kailua-Kona business and community members. Two Innovations Public Charter School employees (Director and Business Manager) serve on the Foundation Board. Board members and biographies are as follows:

Susan Carroll, Chair – Ms. Carroll has over 35 years of Information Technology experience in enterprise business solutions, consulting and executive management. She has worked with several US independent software vendors in Asian Pacific counties and has an extensive international applications development background. Ms. Carroll was involved in several large scale project implementations for marketing, insurance, financial, airline, petroleum and utility applications. Ms. Carroll retired from corporate business in 2000 and now serves on the boards of the Kona Outdoor Circle Foundation and Habitat for Humanity, Kona as well as Innovations Foundation.

William Wong, Treasurer – William L. Wong CPA, PFS, CVA, Mr. Wong graduated from the University of Hawaii with a degree in Finance with emphasis in Business Economics and attended the UH Graduate School of Business. He was honored and named the National winner of the U. S. Small Business Administration's Accountant Advocate of the Year in 1999. He has served as the Taxation Chair of the Governor's Task Force on Regulatory Relief and as a member of the Taxation Working Group of the Economic Revitalization Task Force for the State of Hawaii. He is a Certified Public Accountant, Personal Financial Specialist, Certified Valuation Analyst, and a Registered

Investment Advisor.

Barbara Woerner - A graduate of San Diego State University, Barbara received her BA in English and Elementary Teacher Certification prior to moving to Hawaii in 1970. She attended University of Oregon where she earned an MA in Gifted and Talented Education. Barbara has worked in education for over 40 years and is one of the school's original founders. She served as Director from August 2001 to June 2010. Barbara serves an administrative advisor on the Innovations' Local School Board and the Innovations Foundation Board. As Administrative Advisor, Barbara's responsibilities include facility development, financial planning and management, team and operations advisor, and liaison between the various boards and community groups.

Jason Ikaika Hauanio - Jason graduated from University of Hawaii at Manoa with a BA in Business & Finance and Master of Business Administration. He is Vice-President and Wealth Management Advisor for Merrill Lynch. Jason specializes in financial planning with retirees and small business owners, helping clients manage over \$115 million in assets. He has Series 7 and 65 Certifications, Hawaii State Insurance License, CIMA and CFM. He is heavily involved in his community and has been a Kona-Kohala Chamber of Commerce member since 1999. He serves on the Natural Energy Lab of Hawaii Authority Board, Hawaii Strategic Development Corporation Board and is a past-president of the Rotary Club of Kona Mauka, West Hawaii Advisory Committee and Queen Liliuokalani Trust Advisory Group.

Lee Nelson - Lee Nelson graduated from the University of California at Santa Barbara with a degree in Business Economics. She worked as a certified public accountant for Deloitte & Touche LLP specializing in hi-tech companies for five years. She owned her own accounting and financial management services practice in Southern California servicing start up internet companies until 2004. In 2005, she joined the Innovations staff as a part-time teacher. She currently serves as Innovations' Business Manager.

Jennifer Hiro, Secretary - Director Innovations Public Charter School. Jennifer has been teaching in Hawaii since 1991. She is a founding member of Innovations Public Charter School. She is a specialist in curriculum and student support services. She has extensive experience in "hands-on" project based curriculum.

Ed Rapoza – Owner of Island Land Company Inc. Mr. Rapoza has extensive experience with residential and commercial real estate development. His skills include project marketing, sales, management, and operations. He brings to the board expertise in the logistics of working with various governmental agencies, developers and the business community.

Rebecca Morton – Rebecca trained at Lines Institute of Choreography and the San Francisco Ballet before moving to Kona in 1996 to teach as West Hawaii Dance Academy. She has been a real estate broker since 2001.

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.

The applicant does not have any pending litigation or any outstanding judgments.

B. Licensure or Accreditation

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

The applicant is 501(c) 3 charitable organization.

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2012 to June 30, 2013)

Applicant: Innovations Public Charter School Foundation

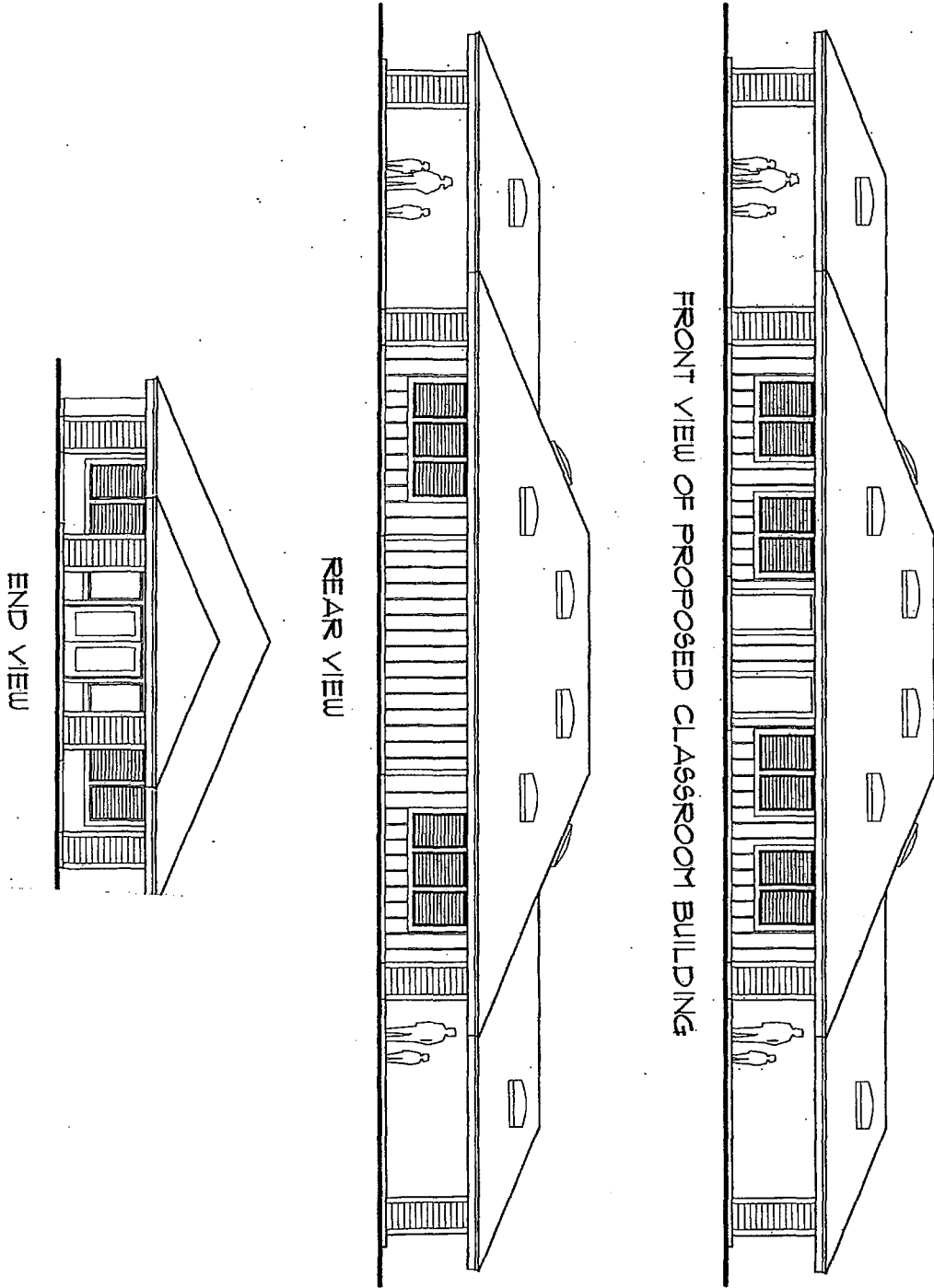
BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds USDA Secured (b)	Total Innovations Foundation Funds (c)	(d)
A. PERSONNEL COST				
1. Salaries	0	0	0	
2. Payroll Taxes & Assessments	0	0	0	
3. Fringe Benefits	0	0	0	
TOTAL PERSONNEL COST	0	0	0	
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island	0	0	0	
2. Insurance	0	0	0	
3. Lease/Rental of Equipment	0	0	0	
4. Lease/Rental of Space	0	0	0	
5. Staff Training	0	0	0	
6. Supplies	0	0	0	
7. Telecommunication	0	0	0	
8. Utilities	0	0	0	
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	0	0	0	
C. EQUIPMENT PURCHASES	0	0	0	
D. MOTOR VEHICLE PURCHASES	0	0	0	
E. CAPITAL	1,000,000	834,000	166,000	
TOTAL (A+B+C+D+E)	1,000,000	834,000	166,000	
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	1,000,000	Julie "Lee" Nelson 808-756-5492		
(b) Total Federal Funds Secured	834,000	Name (Please type or print) Phone		
(c) Total Foundation Funds Secured	166,000	Date		
(d)		1/30/12		
TOTAL BUDGET	2,000,000	Jennifer Hiro, Secretary Innovations PCS Foundation		
		Name and Title (Please type or print)		

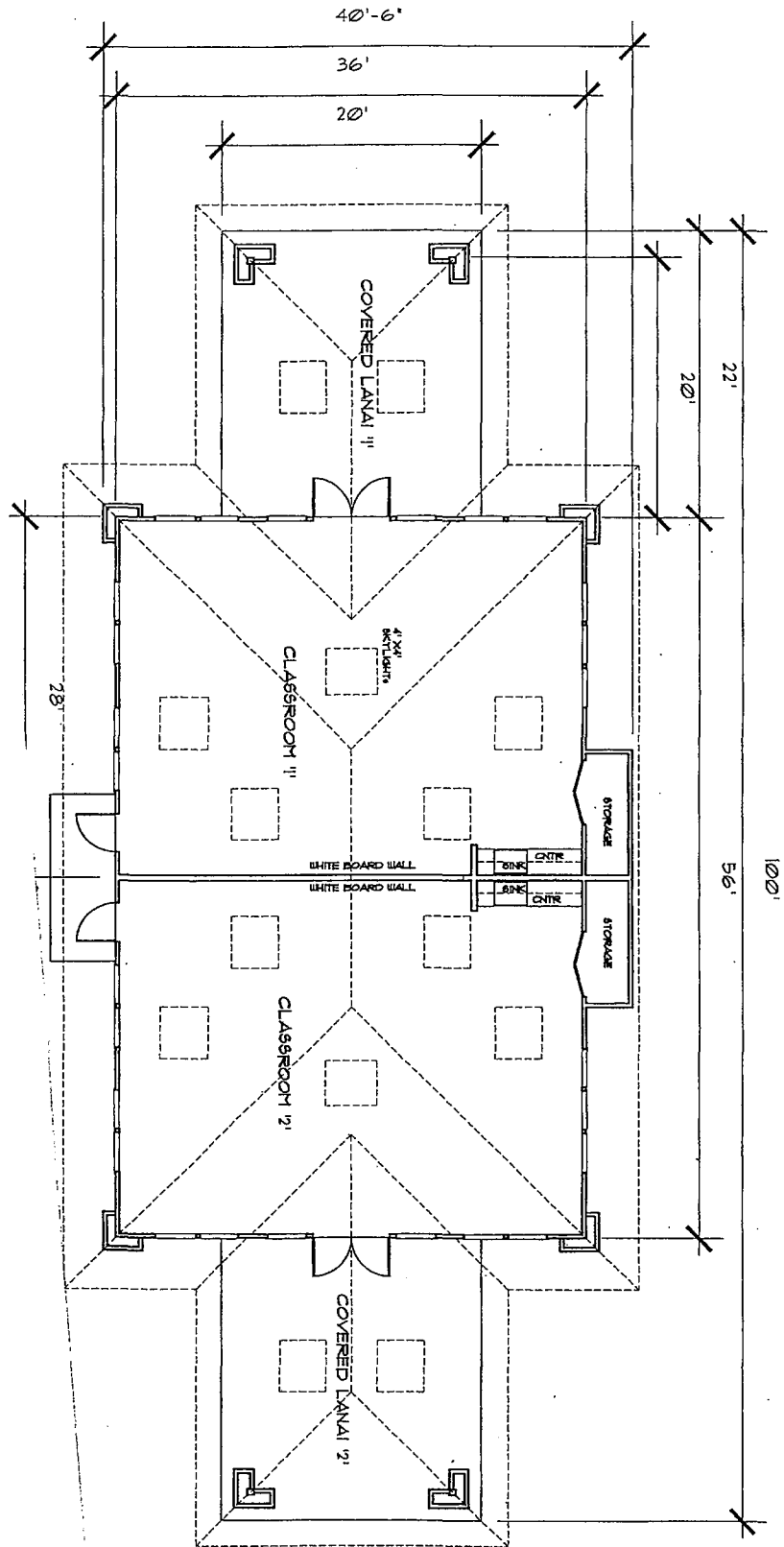
BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

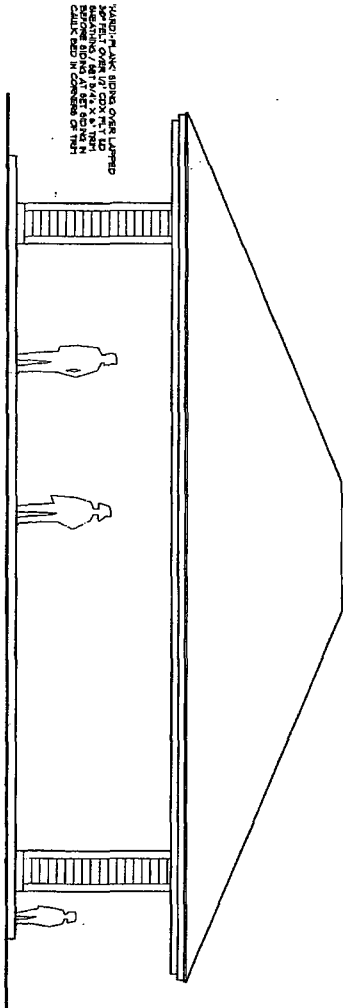
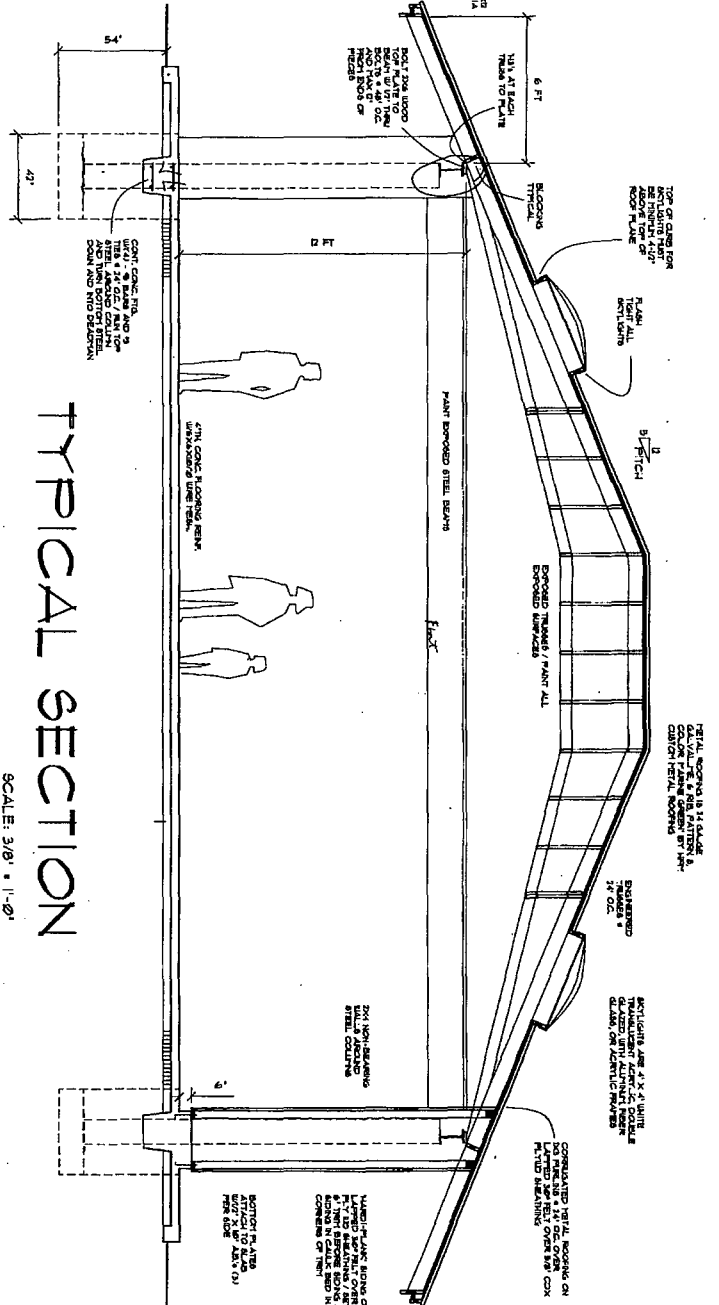
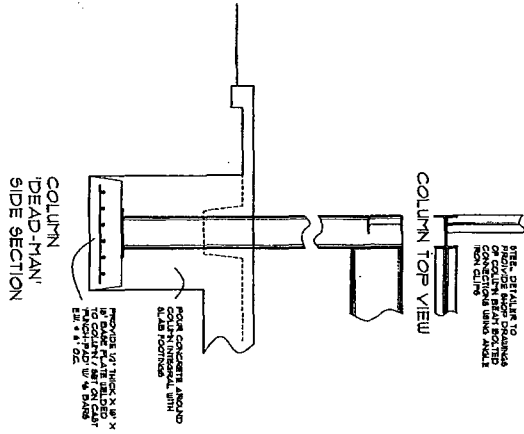
Applicant: Innovations Public Charter School Foundation

Period: July 1, 2012 to June 30, 2013

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2010-2011	FY: 2011-2012	FY:2012-2013	FY:2012-2013	FY:2013-2014	FY:2014-2015
PLANS			0	25000		
LAND ACQUISITION			0	0		
DESIGN			0	0		
CONSTRUCTION			1000000	975000		
EQUIPMENT			0	0		
TOTAL:			1,000,000	1,000,000		
JUSTIFICATION/COMMENTS:						
The funds in the "other sources" have been secured by the USDA (\$834K) or Innovations Foundation (\$166K).						







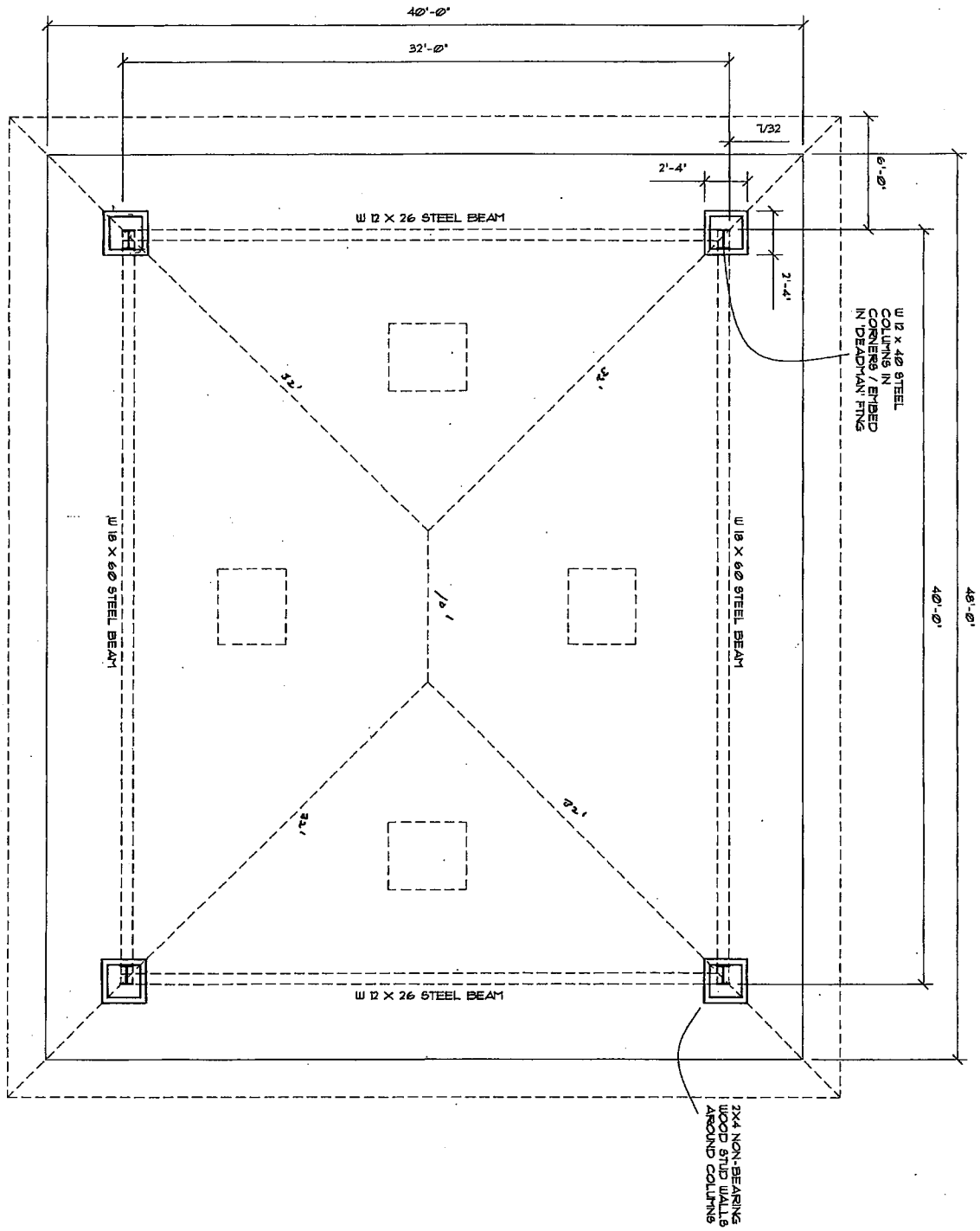
TYPICAL SECTION

SCALE: 3/8" = 1'-0"

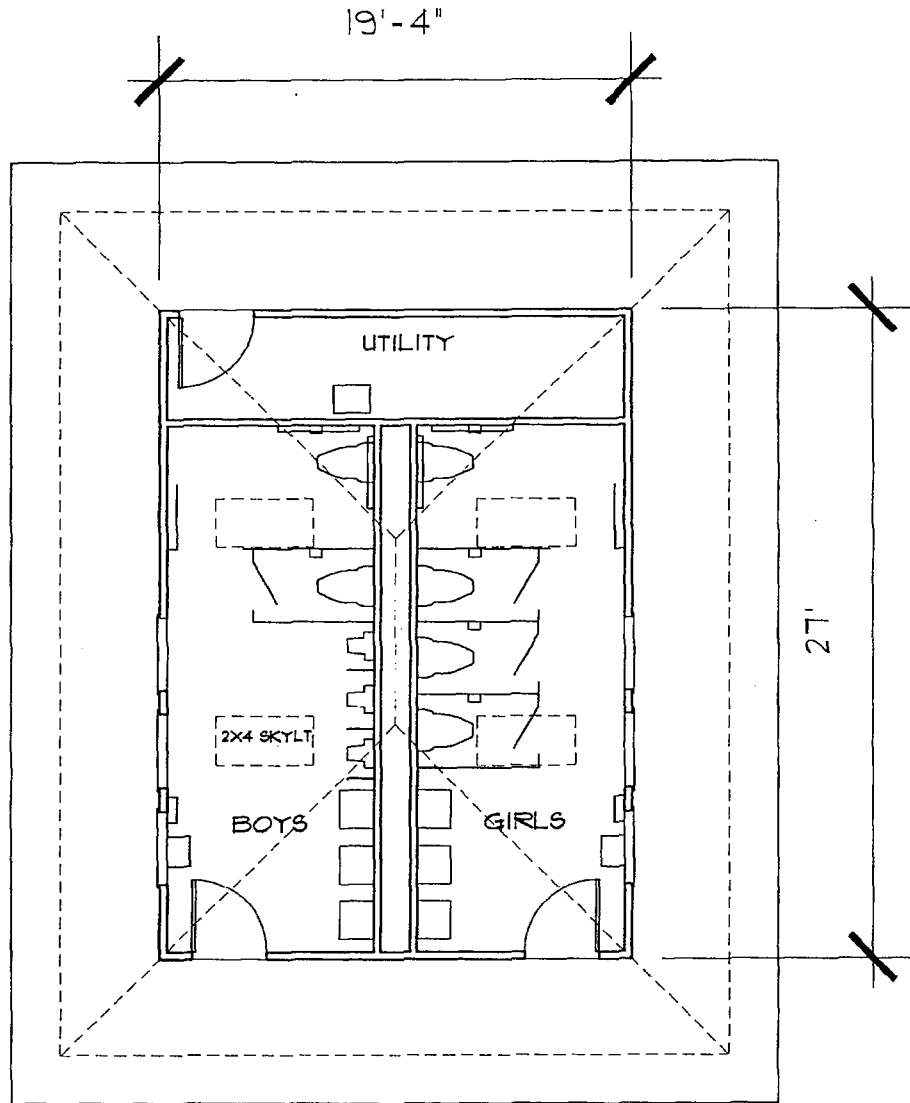
FRONT ELEVATION

SCALE: 1/4" = 1'-0"

PROPOSED PAVILION FLOOR PLAN



OCCUPANT
CONSTRUCT
AREA IN \$1
AREA A CE



BATHROOM BUILDING FLOOR PLAN

DESIGNED BY
MERRILL S. KITTINGER
ARCHITECT
P.O. BOX 1226
KAILUA-KONA HI 96745
(808) 325-1262

**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 ensuring 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.

For a grant or subsidy used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

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

Innovations Public Charter School Foundation
(Typed Name of Individual or Organization)

1/30/12
(Date)

Jennifer Hiro Secretary Innovations Public Charter School Foundation

(Typed Name) (Title)