



REHABILITATION HOSPITAL
— OF THE PACIFIC —

Rebuilding Lives Together

Letter of Transmittal

Date: January 30, 2013

To: House Committee on Finance
State Capitol, Rm. 306
Honolulu, HI 96813
Attn: Susan Fernandez

Senate Committee on Ways and Means
State Capitol, Rm. 208
Honolulu, HI 96813
Attn: Roderick Becker

From: Kelly Balles
Rehabilitation Hospital of the Pacific

Re: Grant in Aid proposal - revised

Attached please find a revised version of Rehabilitation Hospital of the Pacific Foundation's Grant in Aid application. This application corrects an inadvertent error to the previous submittal. If you have any questions, please do not hesitate to contact me at 531-3511.

House District 27

Senate District 13

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

Log No:

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:
Rehabilitation Hospital of the Pacific

Dbn:

Street Address:
226 N. Kuakini Street, Honolulu, Hawaii 96817

Mailing Address:
226 N. Kuakini Street, Honolulu, Hawaii 96817

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name TIMOTHY J. ROE, MD, MBA, FAAPMR

Title President and Chief Executive Officer

Phone # 808-531-3511

Fax # 808-544-3335

e-mail troe@rehabhospital.org

3. TYPE OF BUSINESS ENTITY:

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

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

CAPITAL IMPROVEMENTS TO REHABILITATION HOSPITAL OF THE PACIFIC

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2014: \$ 3,500,000

8. 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 \$ 2,500,000

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ 12,500,000

TIMOTHY J. ROE, PRESIDENT AND CHIEF EXECUTIVE OFFICER
NAME & TITLE

1/30/2013
DATE SIGNED

**POS Proposal Application
Table of Contents**

I.	Background and Summary	
1.	Applicant Background	1
2.	Goals and Objectives	1
3.	Public Purpose and Need	1
4.	Target Population.....	2
5.	Geographic Coverage.....	3
II.	Service Summary and Outcomes	
1.	Scope of Work, Task and Responsibilities.....	4
2.	Projected Annual Timeline.....	5
3.	Quality Assurance and Evaluation	5
4.	Measures of Effectiveness.....	5
III.	Financial	
1.	Budget	6
2.	Quarterly Funding Request	6
3.	Other Sources of Funding	6
4.	Tax Credits.....	7
IV.	Experience and Capability	
A.	Necessary Skills and Experience	8
B.	Facilities.....	8
V.	Personnel: Project Organization and Staffing	
A.	Proposed Staffing, Staff Qualifications, Supervision and Training.....	9
B.	Organization Chart.....	11
VI.	Other	
A.	Litigation.....	12
B.	Licensure or Accreditation.....	12
VII.	Attachments	
	Declaration Statement	
	Budget Sheets: Pages 4-7	

Application for Grants and Subsidies Request for Capital

I. Background and Summary

1. Applicant's background;

Rehabilitation Hospital of the Pacific (REHAB Hospital) is a 501(c)3 non-profit organization. We provide comprehensive physical and cognitive rehabilitation to individuals that have experienced spinal cord injury, traumatic brain injury, stroke, amputation, complex surgery, serious injury or other trauma. Each year we serve over 5,500 individuals, some of them faced with the most daunting and life-changing challenges of their lives.

2. The goals and objectives related to the request;

The goal of this project is to renovate REHAB Hospital so that patients that experience spinal cord injury, stroke, major multiple trauma, amputation, cardiovascular incident and other illness or injury are able to access quality acute rehabilitation in Hawaii.

The facility was built in stages over the past 60 years, and some of the areas of the facility, including the electrical system, are from the original construction in 1953. Objectives include:

- Improvement of the infrastructure to reduce ongoing maintenance and be in compliance with applicable building and accreditation requirements;
- Expand capacity to serve acute patients by installing new features and state of the art technology;
- Create spaces for new programs and services;
- Redesign the interior to be patient centered and improve the workflow for greater staff efficiency.

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

REHAB Hospital contributes significantly to the public good:

Essential medical services. REHAB Hospital is the sole Inpatient Rehabilitation Facility¹ (IRF) in the state and an essential part of the continuum of medical care for Hawaii residents. Without REHAB Hospital, residents with serious illness or injury would have to be transported to the mainland for care or forego the care they require to recover to their potential.

¹ This designation is made by the U.S. Dept. of Health and Human Services, Centers for Medicare and Medicaid Services.

Enables elderly and disabled to live more independently. Intensive and skilled rehabilitation can facilitate the healing process, significantly improving a patient's self help, mobility, and communication skills so that they can return home as independent as possible. For the newly disabled in their young adulthood, skilled and intensive rehabilitation is crucial to recovering to their potential so they can live productive and meaningful lives. For elderly patients, acute rehabilitation can assist them to age in place independently with their best quality of life possible.

Reduces the need for government and private support services. The more independent and self sufficient elderly and disabled residents can live, the fewer support services they require from caregivers, government and private organizations, including skilled nursing facilities, caregivers, in home meals and transportation.

Rehabilitation provided to residents with insufficient medical coverage. Over the past five years, REHAB Hospital has provided over \$2 million in charity care to the residents of Hawaii. This financial support enables Hawaii residents that do not have sufficient insurance to receive the medical rehabilitation they require to recover to their greatest potential.

4. Target population to be served; and

As the only rehabilitation hospital in the state, this renovation will *benefit all Hawaii residents* that require acute medical rehabilitation. This includes:

- Over 60% of our patients are 65 and older, and the need for acute rehabilitation is anticipated to increase among this age group: Hawaii residents enjoy the longest life expectancy in the country², and by 2030 the U.S. Census Bureau estimates that one in four residents will be an elder. The effects of aging can make a simple injury more complex and rehabilitation can help them age in place longer and with a better quality of life.
- Unanticipated injury from car, work or sports accident (spinal cord injury, traumatic brain injury, amputation, fracture etc.), or illness (cancer, infection, cardiovascular, stroke) strikes patients of all ages. Patients with spinal cord and traumatic brain injuries are typically younger and rehabilitation is crucial to helping them adapt to challenges and live productively for the rest of their lives.

² Lichtenberg, F., "Why Has Longevity Increased More in Some States than in Others? The Role of Medical Innovation and Other Factors," Manhattan Institute for Policy Research, Medical Progress Report No. 4, July 2007.

REHAB Hospital patients are from every socio-economic, ethnic and age group. Patients have ranged from a baby less than a year that required care to recover from brain injury, to a patient over 100 year that suffered a stroke. The patient mix:

- **48% Neurologic** – spinal cord injury, traumatic brain injury, stroke and Guillain Barre.
- **37% Complicated Orthopedic** – amputation, fracture and joint replacement.
- **15% General Rehabilitation** – multiple trauma, complicated cardiovascular surgery, cancer treatment and pulmonary.

5. Geographic coverage.

REHAB Hospital is the only Inpatient Rehabilitation Facility in Hawaii, and as a result serves the entire state. It is also the closest acute rehabilitation facility for patients from the South Pacific, including Samoa, the Islands of Micronesia and Guam.

In addition, approximately 50 patients each year are visitors from around the world that experience recreational accident or illness while on vacation in Hawaii and require care at REHAB Hospital.

II. Service Summary and Outcomes

1. Scope of work, tasks and responsibilities;

Scope of work. This project is to complete the renovation of REHAB Hospital's facilities located at 226 N. Kuakini Street. This 125,200 square foot facility was built in phases since 1953 and has not had any major renovations or improvements for over 15 years. Some of the infrastructure is from the initial construction 60 years ago, including portions of the electrical system.

In FY 2013 – 2014, renovation of the 2nd floor, 1st floor and exteriors will be completed. The tasks include:

- Complete replacement of the electrical system and IT wiring;
- Improvement of the fire alarm and sprinkler system as required to bring the facility in compliance with applicable building fire code from the National Fire Protection Agency;
- Complete replacement of the air conditioning system to improve the quality of air for inhabitants, lengthen the life of hospital equipment and be more energy efficient. (New air conditioning chillers have already been installed and resulted in a 22% reduction in use of electricity equivalent to savings of over \$240,000 annually);
- Installation of hurricane windows emergency preparedness in the event of a natural disaster;
- Redesign and improvement of interior areas to facilitate patient centered care and more efficient staff workflow;
- New technology and features will be installed to accommodate patients with complex conditions, including medical gas and suction, lifts and environmental controls for patients with limited mobility (spinal cord and bariatric); and
- Drainage problems in the basement and exterior will be resolved.

2. Projected annual timeline;

Renovation Status and Timeline. The renovation is proceeding on schedule. Construction on the 3rd floor has just been completed.

	2012				2013				2014				2015	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
4th Floor														
3rd Floor														
Healing Garden														
2nd Floor														
Lobby, Admin														
Exterior														

3. Quality assurance, evaluation and monitoring

The CEO/owner’s representative, together with the architect and general contractor, are responsible for monitoring and evaluating the renovation project. Quality assurance includes the following:

- Weekly status meetings of the CEO/owner’s representative, architect, project manager, general contractor and Director of Facilities.
- Monthly reports by the CEO/owner’s representative to the Board of Directors of both REHAB Hospital and REHAB Foundation to ensure that the project is proceeding in the forecasted timeframe and within the budget and scope approved by the Board of Directors.
- Ongoing oversight and evaluation by the general contractor to ensure that construction standards are as required by the State of Hawaii and applicable code and that the facility is being constructed per specifications.
- Oversight by the CFO to ensure compliance proper documentation of expenditures and accounting procedures.

In addition to the ongoing monitoring of the project, each year REHAB Hospital undergoes a financial audit by certified public accountants to ensure that the organization complies with Generally Accepted Accounting Principles.

4. Measurement of effectiveness.

Effectiveness of this project will be determined by the completion of tasks within the projected timeline as evaluated by the owner’s representative and architect. See the tasks and timeline for specific details.

III. Financial

REHAB Hospital requests support of \$3.5 million from the Hawaii State Legislature for FY 2013-2014. This is in addition to the \$2.5 million Grant in Aid award the Hawaii State Legislature in FY 2011-2012. If awarded, the support received from Grant in Aid would be only 26% of the project. Rehabilitation Hospital of the Pacific Foundation (REHAB Foundation), the fundraising support organization to REHAB Hospital, will assist with raising the balance of the necessary funds, together with unrestricted funds from REHAB Hospital.

The total cost of the project is \$22,860,000. This is an increase of the initial cost estimate made in 2011 of \$17,239,400. This increase is a result of rising costs of construction together with an expansion in the scope of work made in 2012. At this time leadership of REHAB Hospital changed with the appointment of Timothy J. Roe as President and CEO, and a complete assessment of the renovation was made. The initial construction uncovered numerous unanticipated problems attributed to the advanced age of the facility, and it was determined that a complete replacement of the electrical and air conditioning systems, a new “cool” roof and photovoltaic system should be included. These items would eventually be required in several years. This expanded scope of work will not only reduce the ongoing maintenance costs of the facility, it will also ensure that no other significant renovations or improvements will be required for REHAB Hospital in the foreseeable future.

Budget

1. Budget forms

The budget forms are included in this request as attachments.

2. Quarterly funding requests for the fiscal year 2011-2012

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$875,000	\$875,000	\$875,000	\$875,000	\$3,500,000

3. Sources of funding for the fiscal year 2013-2014.

Rehabilitation Hospital of the Pacific Foundation (REHAB Foundation), the fundraising support organization to REHAB Hospital, has committed to raise \$17,239,400 for the project, with REHAB Hospital responsible for the balance necessary to complete the renovation.

In the past two years, from January 2011 to December 2012, REHAB Foundation has raised almost \$15 million for the renovation. This includes contributions from the Clarence T.C. Ching Foundation of \$5 million (to be received 2015 to 2024), The Harry and Jeanette Weinberg Foundation of \$3 million (to be received 2013 to 2015) and \$2 million of support from REHAB Foundation's unrestricted funds. Other contributions pledged and received includes \$3,624,000 from private foundation and corporations and over \$876,000 from individuals.

Within the coming year, REHAB Foundation will submit requests for support to private foundations including but not limited to the McInerny Foundation, First Hawaiian Bank Foundation, Hawaiian Electric Charitable Foundation and many other organizations, corporations and individuals. In addition, REHAB Foundation will conduct a community appeal for support at the end of 2013.

To ensure that the construction proceeds as planned, REHAB Hospital has secured a \$7 million line of credit from First Hawaiian Bank to cover the cost of the renovation in advance of receipt of capital campaign pledges. First Hawaiian Bank has also indicated support to increase this line of credit if necessary.

The Board of Directors has also voted to support the renovation with unrestricted funds, if necessary. However, the declining third party reimbursements and the cost to transition the clinical operations to electronic health records and purchase new technologies also requires significant capital now and in the immediate future. Funding from the State Legislature Grant in Aid program will enable REHAB Hospital to complete the renovation and continue to serve the people of Hawaii with quality acute rehabilitation so that they do not need to be transported to the mainland for care.

4. State and federal tax credits

REHAB Hospital has not received, applied for, and does not anticipate applying for any tax credits pertaining to the renovation.

IV. Experience and Capability

A. Necessary Skills and Experience

REHAB Hospital has secured the services of design and construction professionals that are duly licensed and experienced to successfully complete a renovation the size and scope of this project. See the qualifications of key staff and organizations for the renovation in the section below, *V. Personnel: Project Organization and Staffing*.

B. Facilities

The main facility of REHAB Hospital is its 75-bed inpatient hospital in Nuuanu. REHAB Hospital also has three outpatient clinics: Nuuanu at the first floor of the main facility, Aiea at Pearlridge and Hilo. All facilities are ADA compliant.

The main facility, subject of this project, will be renovated to be in compliance with ADA and applicable building code and accreditation standards.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

Timothy J. Roe, MD, MBA, President and Chief Executive Officer (CEO) represents the hospital regarding ownership decisions on the project, including final approval for all activities done by the architect and contractor related to the renovation. He works with Acting V.P. Financial Affairs, architect and the Project Manager in developing and revising the master budget and master timeline. He is also responsible for communicating with the Board of Directors regarding all pertinent renovation related activities and serves as their fiduciary agent regarding all renovation-related matters. Dr. Roe has previous experience with the planning and construction of healthcare facilities at St. Joseph Regional Rehabilitation Center.

Stephen Boyer, Director of Facilities, is responsible for reviewing the specifications of equipment installed during the renovation, particularly owner-supplied equipment such as the nurse call system and Arjo lift. He also coordinates access to the property for multiple contractors involved and ensures that the renovation is not disruptive to the ongoing care of patients. Mr. Boyer has over 15 years of experience managing large facilities, including over six years managing hospital facilities.

Ty Tomimoto/Acting V.P. Financial Affairs is responsible for reviewing budgetary items related to the project, in particular the invoices and change proposals submitted by the contractors, and ensuring that they are consistent with the various contracts executed on behalf of REHAB Hospital. He reviews all contractual agreements and works with the CEO and the Project Manager in the development and revision of the master budget and the master timeline.

Jeff Mori, AIA, of Arthur Mori & Associates (AMA) is the architect for the project. AMA is responsible for the design, drawing plans and working with the general contractor, structural, mechanical and electrical engineers. AMA is also responsible for preparing a detailed schedule for the project in logical steps and budget time required to meet deadlines and for obtaining all necessary permits and licenses.

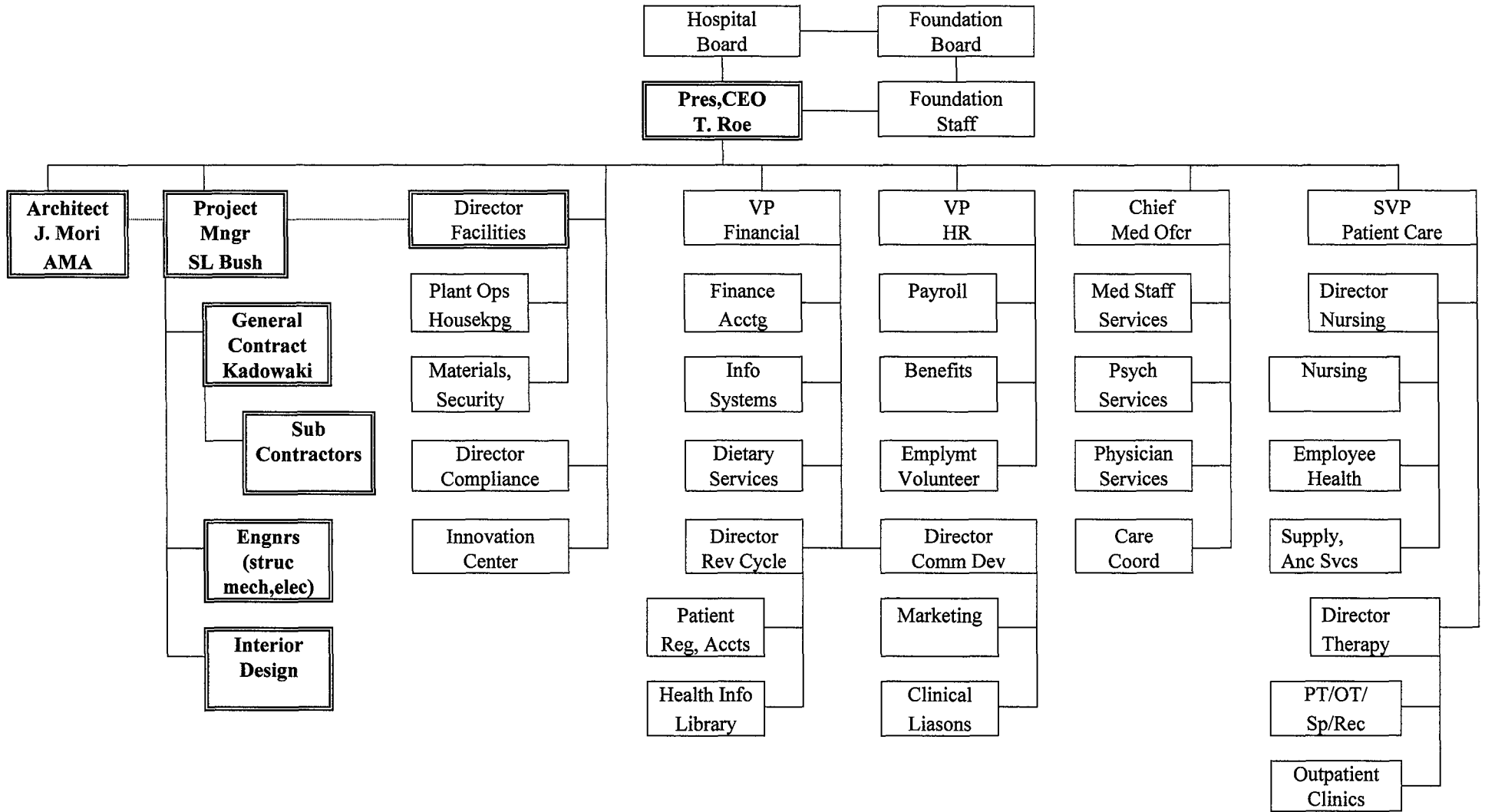
AMA has 51 years of experience providing architectural consulting services in Hawaii. Within the last 19 years, the firm's primary focus has been healthcare design. During that time, more than 350 healthcare related commissions have been successfully completed, including Kapiolani Medical Center, Pali Momi Medical Center, Castle Medical Center, Kuakini Medical Center and Queen's Medical Center. As a result, AMA is well versed in the various codes required of healthcare facilities, including National Fire Prevention Association (NFPA) Code, International Building Code 2003, Uniform Fire Code, National Electric

Code, Guidelines for Design and Construction of Health Care Facilities 2006, the Americans with Disabilities Act Accessibility Guidelines and the State of Hawaii Title 11, Dept of Health Chapter 93.

S.L. Busch & Associates, Larry Schenk, Senior Director and Project Manager, is assigned to the project. In this capacity, he coordinates all activities with the REHAB Hospital CEO and architect, and provides overall direction for the renovation. S.L. Busch has extensive experience in management of large scale construction programs, including hospital and healthcare facilities.

J. Kadowaki, Inc., General Contractor, works with the architect and project manager and CEO. The general contractor hires and directs all subcontractors and staff retained for this project. Previous healthcare facilities build by J. Kadowaki, Inc. include Surgicare of Hawaii, On-Care Medical, Kapiolani Medical Center, Queen's POB, Straub Clinics and Hawaii Endoscopy.

Board of Directors, Renovation Committee. REHAB Hospital and REHAB Foundation board members have also formed a committee to oversee the renovation. These board members are: ***Stanford Carr***, real estate developer and president of Stanford Carr Development (REHAB Foundation board member since 2007); ***Lloyd Sueda***, architect and President of Sueda & Associates, Inc. AIA (REHAB Foundation board member since 2001); and ***Ron Ho***, electrical engineer and principal of Ron Ho & Associates (REHAB Hospital board member since 2000).



VI. Other

A. Litigation

REHAB Hospital does not have any outstanding judgment, and there are no pending litigations of a substantive nature that would impact the stability of the organization or be material to the renovation project.

REHAB Foundation does not have any outstanding judgment or pending litigation.

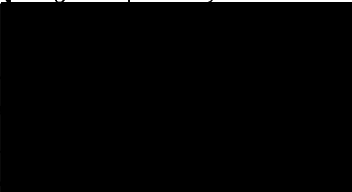
B. Licensure or Accreditation

REHAB Hospital is the sole organization in the State of Hawaii that is qualified as an Inpatient Rehabilitation Facility by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, the Hawaii State Health Planning and Development Agency (SHPDA) and also accredited by The Joint Commission. These special qualifications make REHAB Hospital the only organization in Hawaii that is qualified to treat patients in need of acute medical rehabilitation as a result of serious accident or illness.

REHAB Hospital is an IRS 501(c)3 non-profit organization as determined by the IRS.

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2013 to June 30, 2014)

Applicant: Rehabilitation Hospital of the Pacific

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	3,500,000				
TOTAL (A+B+C+D+E)	3,500,000				
SOURCES OF FUNDING		Budget Prepared By:			
(a) Total State Funds Requested	3,500,000				
(b)					808-531-3511
(c)					Phone
(d)					1/31/2013
TOTAL BUDGET	3,500,000	Timothy J. Roe, President and CEO Name and Title (Please type or print)			
			Date	1/31/2013	

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: Rehabilitation Hospital of the Pacific

Period: July 1, 2013 to June 30, 2014

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Not applicable				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Rehabilitation Hospital of the Pacific

Period: July 1, 2013 to June 30, 2014

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:				

**BUDGET JUSTIFICATION
CAPITAL PROJECT DETAILS**

Applicant: Rehabilitation Hospital of the Pacific

Period: July 1, 2013 to June 30, 2014

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2011-2012	FY: 2012-2013	FY:2013-2014	FY:2013-2014	FY:2014-2015	FY:2015-2016
	PLANS					
LAND ACQUISITION						
DESIGN	\$350,000	\$500,000	\$100,000	\$200,000		
CONSTRUCTION	\$5,200,000	\$7,500,000	\$3,000,000	\$1,500,000	\$1,260,000	
EQUIPMENT	\$450,000	\$1,000,000	\$400,000	\$1,000,000	\$400,000	
TOTAL:	6,000,000	9,000,000	3,500,000	2,700,000	1,660,000	
JUSTIFICATION/COMMENTS:						
Amounts noted in funding received in prior years reflects both funds received and pledged. Pledges are scheduled to be received until 2024. To accomodate the timing of funds received on capital campaign pledges, REHAB Hospital has a \$7 million line of credit with First Hawaiian Bank, and support for an extension if necessary to bridge the expenses in advance of receipt of contributions.						

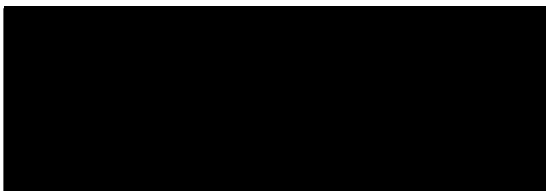
**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS AND SUBSIDIES PURSUANT TO
CHAPTER 42F, HAWAI'I REVISED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The 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:
 - a) 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;
 - b) 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;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows 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.
- 2) The applicant meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) 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.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawai'i Revised Statutes, for grants or subsidies 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.



ation)

1/29/2013
(Date)

Timothy J. Roe, MD, MBA, FAAPMR,
(Typed Name)

President and Chief Executive Officer
(Title)