

THE TWENTY-EIGHTH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES

Type of Grant Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

"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.

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

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN):

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual: Kahua Pa'a Mua, Inc.

Dba:

Street Address: 53-4240 Akoni Pule Hwy

Mailing Address: PO Box 896 Kapaau, HI 96755

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name DAVID FUERTES

Title Executive Director

Phone # 808-896-0566

Fax # N/A

E-mail dcfuentes@aol.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
 FOR PROFIT CORPORATION INCORPORATED IN HAWAII
 LIMITED LIABILITY COMPANY
 OTHER
 SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

GROWING NATURAL FARMING PRACTICES IN HAWAII BY TRAINING AGRICULTURAL TEACHERS, FARMERS AND BACKYARD PRODUCERS



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4. FEDERAL TAX ID #

5. STATE TAX ID #

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2016: \$ 200,000

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 \$ _____
FEDERAL \$ 67,863
COUNTY \$ 50,000
PRIVATE/OTHER \$ 18,904

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE

[Redacted Signature]

JOHN HIROTA, PRESIDENT KPM, INC.

01/27/2015

AUTHORIZED SIGNATURE

NAME & TITLE

DATE SIGNED

Application for Grants

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. Please include the following:

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

Mission

The mission of Kahua Pa'a Mua, Inc. is to enhance communities through economic, conservation/preservation, social and educational programs for youth and adults.

Background

Kahua Pa'a Mua, Inc. is a 501(c)3 based in North Kohala on Hawai'i Island. Kahua Pa'a Mua was originally formed in order to assume and expand upon the work of the Palili 'O Kohala project—an economic development project based upon the production of value added products from taro, pigs and chickens.

With over 30 years of community service experience in North Kohala—in agricultural, economic development and youth mentorship—David and Carolyn Fuertes founded Kahua Pa'a Mua for the benefit of the North Kohala community and to create a statewide model to demonstrate the efficacy of Natural Farming methods of farming.

Over the last three years Kahua Pa'a Mua has created the Natural Farming Learning Lab at Ho'ea (including a Natural Farming Pig and Chicken House), has trained ten families and thirty youth per year in Natural Farming methodologies, and has facilitated the formation of the Palili 'O Kohala agricultural cooperative for growing and marketing taro, pigs and chickens. Kahua Pa'a Mua also hosted hundreds of community members and guests in work days and learning workshops.

2. The goals and objectives related to the request;

Goal #1: Increase adoption of Natural Farming methodologies by new farmers, high school and college age youth who are on a career track in agriculture.

- Train the Trainer: Increase the number of agricultural and science teachers in high schools, community college and UH system who are trained in Natural Farming.

- Train the Youth: Increase the number of high school and college students who are trained in Natural Farming.

Goal #2: Increase adoption of Natural Farming methodologies by farmers and backyard producers.

- Train experienced farmers and backyard producers in Natural Farming methodologies.
- Advanced training for farmers and backyard producers who have received training before.

Goal #3: Demonstrate the efficacy of Natural Farming methodologies in Hawai'i as related to the production of taro, sweet potato, pigs and chickens.

- Maintain the Natural Farming Learning Lab in North Kohala as a venue for demonstration, education and outreach.

3. The public purpose and need to be served;

As the state of Hawai'i endeavors to support local agriculture, Natural Farming methodologies play an important role.

Natural Farming (a.k.a. Master Cho's Korean Natural Farming) is a farming methodology that uses indigenous microorganisms from the soil to create chemical free fertilizer for plants and important microorganisms which aid in animal husbandry. Natural Farming is known to:

- Improve crop and livestock yields with decreased production cost.
 - Reduce fertilizer cost.
 - Eliminate the use of chemical fertilizers.
 - Conserve water.
 - Convert waste products created from conventional food systems into valuable soil enhancements.

Natural Farming supports island food self-sufficiency and sustainability by:

- Enhancing the health of the soil and waters by eliminating chemicals and improving soil health through the use of indigenous microorganisms.
- Replacing imported agricultural inputs (fertilizer, herbicide, supplements) with island-made inputs from by-products.
- Increasing yields.

Natural Farming supports healthy communities through:

- Production of healthy, chemical-free food for families.
- Creating a pathway to supplemental income through affordable agricultural production.
- Integration of community resilience and community building into teaching methodology.

The maximum benefit from Natural Farming can only be achieved by having enough properly trained teachers and practitioners. It is important to periodically bring Master Cho to Hawai'i to train new teachers and farmers, as well as to increase the skills of existing teachers and practitioners.

Under the guidance of Master Han Kyu Cho, the Natural Farming Learning Lab was established in North Kohala in order to demonstrate the efficacy of Natural Farming methods on a small-scale diversified farm level. The community benefits through the public events, workshops and information developed at the Natural Farming Learning Lab.

4. Describe the target population to be served; and

Agricultural and Science teachers at the middle school, high school and college level; high school and college age youth who are on a career track in agriculture; commercial farmers and backyard producers.

5. Describe the geographic coverage.

The target population above is statewide, but the training will be held at the Natural Farming Learning Lab in North Kohala, Hawai'i Island.

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. The applicant shall:

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

Workshop Logistics (Master Cho Workshop in March 2016, Hawai'i-based follow-up in June 2016)

- Contract with Master Han Kyu Cho and Korean team & Interpreters
- Contract with Hawai'i-based Natural Farming teaching team (NF Certified Instructors: Dr. Hoon Park, Kim Chang & Chris Trump, Jim Cain (Crops), Mike Hubbel (chickens) & Mike DuPonte (pigs).
- Set teaching agenda for two seminars.
- Travel arrangements for Master Cho+ 2 RT Korea to Hawaii Island
- Accommodations and Meals (two seminars) for Hawai'i-based team
- Accommodations and food for Scholarship workshop participants
- Order/gather workshop supplies
- Set-up online registration
- Prepare written workshop materials
- Logistics and set-up for venue (tent, tables, chairs)

- Post-event follow-up

Workshop Outreach:

- Identify and recruit statewide—agricultural and science teachers at the middle school, high school and college level; high school and college age youth who are on a career track in agriculture; commercial farmers and backyard producers.
- Media outreach through newspapers, radio and other channels, community calendars
- Publicize through HDOA, Hawai'i School Garden Network, Hawai'i Farm Bureau and other agricultural and educational networks.

Natural Farming Learning Lab:

- Maintain operation of Natural Farming Learning Lab.
- Monitor and document application of Natural Farming inputs on taro, sweetpotato and pigs.
- Document yields, animal and plant health.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

Activities	Q1 (July- Sept)	Q2 (Oct- Dec)	Q3 (Jan- March)	Q4 (April- June)
Workshop Logistics (described above)				
Workshop Outreach				
Natural Farming Workshop with Master Cho (March 18 – 22, 2016)				
Natural Farming Workshop with Hawaii-based team (June 1-5, 2016)				
Natural Farming Learning Lab, on-going				
Project wrap-up, evaluation and reporting				

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

Activity	Quality Assurance	Evaluation Method	How applicant plans to improve results
Workshop	Executive Director	List of schools,	Review outreach

Outreach	approves outreach lists and materials prior to distribution.	organizations, media that received information.	methods vs. registration to determine if target audience was reached through methods applied.
Workshop-Master Cho	Setting of educational objectives. Review of workshop agenda, and on-site tracking by experienced Hawai'i-based instructor to ensure educational goals are met.	Registration list. Post-workshop survey instrument.	Review of post-workshop surveys with staff and instructors. Note areas of improvement for future workshops.
Workshop-Hawai'i Team	Setting of educational objectives. Review of workshop agenda and printed materials by staff. On-site tracking by experienced Hawai'i-based instructor to ensure educational goals are met.	Registration list. Post-workshop survey instrument.	Review of post-workshop surveys with staff and instructors. Note areas of improvement for future workshops.
Natural Farming Learning Lab	Master Cho to provide evaluation of the facility and methodologies.	Yields (in pounds) of taro and sweetpotato. Number of pigs. Natural Farming inputs applied (date and type) and observed results.	Compare projected yields to actual yields. If actual and observed results are not what is expected, adjust amount or type of input.

4. 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.

Activity	Measure of Effectiveness
Workshop Outreach	Number of people registered for each workshop.
Workshop- Master Cho	Number of people in each target group who attended workshop. Level of knowledge attained as indicated by post-workshop survey.
Workshop- Hawai'i Team	Number of people in each target group who attended workshop. Level of knowledge attained as indicated by post-workshop survey.
Natural Farming Learning Lab	On-going operations and production of taro, sweet potato and pigs.

III. Financial

Budget

- 1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.**
 - Attached.
- 2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2016.**

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$50,000	\$50,000	\$50,000	\$50,000	\$200,000

- 3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2016.**
 - Department of Health and Human Services—Administration for Native Americans (SEDS)
 - County of Hawai'i—Department of Research and Development
 - County of Hawai'i—County Council

- Private foundations

- 4. The applicant shall provide a listing of all state and federal tax credits it has 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.

- 5. The applicant shall provide a listing of all government contracts and grants it has been and will be receiving for program funding.**

- County of Hawai'i—County Council: \$50,000 (July, 2014- June 2015) for Natural Farming Learning Lab
- USDA Farmers Market Promotion Program: \$67,863 (October 2014 – September 2016) for promotion of value-added products from taro

- 6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2014.**

- \$18,900
- Seminar cost for non Scholarship participants @ \$700 pp x 35 people = \$24,500

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.

Under the auspices of the Hawaii FFA Foundation and subsequently PIDF Ka Hana No'eau program, David Fuertes, assisted by Carol Fuertes, coordinated the logistics of the last two Hawai'i workshops held by Master Cho. The Makapala (Hawai'i Island) workshop was attended by approximately 75 people, and the two O'ahu workshops were attended by about 115 people.

Other verifiable experience and related projects are as follows:

- Development of the Natural Farming Learning Lab at Ho'ea, on 1.5 acres in North Kohala on Hawai'i Island. The Natural Farming Learning Lab encompasses taro, sweet potato, fruit trees, the Natural Farming Pig and Chicken House and the Hagwon (Quonset Hut Learning Center).

- Growing of taro, sweet potato, pigs and chickens using Natural Farming methodology.
- Community blessing and workshops on Natural Farming basics and Natural Farming for pigs and chickens, attended by 300 community members.
- On-farm mentoring of 30 youth per year in collaboration with Ka Hana No'eau program.
- Incorporation of Palili 'O Kohala agricultural cooperative, farming based on Natural Farming.
- Over the last two years Kahua Pa'a Mua has coordinated two Natural Farming training workshops for the Palili 'O Kohala families with instructor Chris Trump, and provided on-going mentoring by Leslie Nugent.

Current grants/contracts are:

- USDA-Farmers Market Promotion Program for marketing of products from taro.
- County of Hawai'i County Council for development of Natural Farming Learning Lab and the Palili 'O Kohala project for community economic development based upon the growing of taro, pigs and chickens.

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.

The project will take place at the Makapala Retreat Center and the Natural Farming Learning Lab at Ho'ea Road in Hawi, North Kohala, Hawai'i Island. Classroom training, meals and accommodations will be at the Makapala Retreat, which is a fully equipped retreat center. This was the site of the previous Master Cho workshop and is equipped to handle the group. The Natural Farming Learning Lab will be used for on-farm training. The site has hosted workshops and community events for up to 300 people in the past. The "Hagwon" (learning house) is a large quonset hut that is used for food service, meeting and workshops. An additional tent will be erected for the workshop and a port-a-lua brought in to supplement bathroom facilities. The Natural Farming Learning Lab has a Natural Farming "input area" with covered space, cabinets, supplies and equipment for making Natural Farming inputs.

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.

Co-Project Manager Andrea Dean will be responsible for workshop outreach and overall project management. Co-Project Manager/Farm Coordinator Leslie Nugent and Secretary Carol Fuertes will be responsible for workshop logistics, administering evaluation instruments and organization of both seminars. Leanne Okamoto, consultant will provide evaluation and reports as required. Carol Fuertes will be responsible for fiscal management. Executive Director David Fuertes and Co-Project Manager/Farm Manager Leslie Nugent will be responsible for maintenance and improvement of Natural Farming Learning Lab. Executive Director David Fuertes will also provide supervision and direction over all organizational and project activities. Dean, Nugent and the Fuertes' have been responsible for the oversight of numerous grants and the execution of public festivals, workshops and events for thousands of people statewide.

Kahua Pa'a Mua Staff Qualifications

David Fuertes, Executive Director

David Fuertes is the "grandfather" of agriculture in North Kohala. David served 30 years in the Hawaii State Department of Education teaching Agriculture, Career Technical Education and was the West Hawaii District Resource Teacher, and State FFA Executive Secretary. Mr. Fuertes served as Chairperson for the State's Department of Business Economic Development and Tourism's (DBEDT) Community Based Economic Development Board and served on numerous County, State, and Federal boards and commissions. Mr. Fuertes is a former Hawaii County Deputy Managing Director, and has served as the Hilo/Hamakua Community Liaison for the revitalization of plantation communities for State's DBEDT. Most recently, he was the Program Director for Ka Hana Noeau, an innovative youth mentoring program that melds traditional Hawaiian knowledge with contemporary methodologies.

Mr. Fuertes is a part-time rancher, Hawaiian saddle-maker, and advocate for increased food self-sufficiency statewide. David is certified in Natural Farming and has been growing taro for the last 10 years. He was one of the key players in introducing Natural Farming to Hawai'i and in coordinating Master Cho's workshop during his last visit.

Mr. Fuertes has successfully executed numerous programs, events and educational activities in his 30+ years of community service in North Kohala. His particular passion is working with families and youth in entrepreneurial development programs.

Andrea Dean, MBA, Co-Project Manager

Andrea Dean starting working as Project Manager with Kahua Pa'a Mua as a project manager, grant writer and developer of community capacity. Ms. Dean works on business and community projects focused on developing the local food economy. Dean's skills include project management, facilitation, feasibility studies, grant writing and management, traditional crop market development, communication and community education initiatives. Ms. Dean's grant funded projects have included: Ho'oulu ka 'Ulu—a project to revitalize breadfruit for food security; Think Local Buy Local—an island-wide public education campaign; Community Harvest Hawaii—a community food collection, processing and distribution project; EBT at Farmers Markets Program— public outreach and farmers market communications for six new markets accepting SNAP benefits; and North Kohala Eat Locally Grown Campaign—initiatives and planning aimed at developing a local food system in North Kohala, including the Growing Agricultural Tourism in North Kohala initiative.

Ms. Dean has been responsible for grant management, including data tracking, financial and narrative reporting for all of the above referenced projects (with the exception of the EBT at Farmers Market project) with funding sources such as Hawaii Tourism Authority; Office of Hawaiian Affairs; County of Hawaii; Hawaii Community Foundation; Atherton Family Foundation; Kaiser Permanente; RSF Social Finance, USDA-WSARE, Hawaii State Department of Agriculture, and other public and private sources.

Ms. Dean holds an MBA from the University of Hawaii at Manoa Shidler College of Business. In recognition of her work on local economic development, she was a 2013-2014 BALLE (Business Alliance for Living Local Economies) Local Economy Fellow.

Carol Fuertes, Secretary/Bookkeeper

Recently retired, Ms. Fuertes was employed at the Kohala Dental Center for the past 32 years as Business Manager where she was responsible for all aspects of office management including, but not limited to: Accounts Receivables, Accounts Payables, Staff Payroll, Business Taxes and General Office Duties. She is proficient in QuickBooks Business and QuickBooks Payroll systems. Ms. Fuertes was responsible for patient billings and collection (with experience filing collections in the Small Claims Court system); audits of patient's accounts, insurance billing and payments, and all financial matters.

Ms. Fuertes served as Project Assistant and Bookkeeper for the Community Harvest Hawai'i project, funded by the Island Innovation Fund of the Hawai'i Community Foundation. Carol was also responsible for bookkeeping and reporting for the Natural Farming Educational Training grant through the Hawai'i Community College at Hilo and the Hawaii State Department of Labor. Ms. Fuertes was also responsible for the fiscal management and reporting of the Noho Lio program, an educational program brought into Laupahoehoe, Konawaena, & Kohala High Schools and funded by the Office of Hawaiian Affairs.

Ms. Fuertes is responsible for all project-based and non-profit bookkeeping for Kahua Pa'a Mua.

Leslie Nugent, Co-Project Manager/Farm Coordinator

Leslie is a community leader in the arena of food self-sufficiency and organic gardening. She started work in Hawai'i with the Hawai'i Institute of Pacific Agriculture—facilitating gardening and sustainability field trips and internships for youth and young adults which integrated organic gardening, natural farming, and permaculture practices. She was a Natural Farming youth mentor for Ka Hana No'eau. Leslie is currently a Project Manager for North Kohala Eat Locally Grown, managing a USDA- Farmers Market Promotion Program grant which promotes the Hawi Farmers Markets and agricultural tourism in North Kohala, as well as increasing access to locally grown food for the low-income population. In addition, Leslie is Project Manager and Farm Coordinator for Kahua Pa'a Mua's Palili 'O Kohala project—overseeing the planting, harvesting and scheduling at the Natural Farming Learning Lab, as well as grant administration. She is a Natural Farming mentor to youth and adults at the farm.

Qualifications of Lead Trainers

Master Cho (Han Kyu Cho)

Korean researcher Han Kyu Cho developed Natural Farming practices over 40 years ago, and as of 2014 has trained over 18,000 people at the Janong Natural Farming Institute in Korea. Korean natural farming (KNF) takes advantage of indigenous microorganisms (IMO) (bacteria, fungi, nematodes and protozoa) to produce fertile soils that yield high output without the use of herbicides or pesticides.[1] An result is improvement in soil health, improving loaminess, tilth and structure, and attracting large numbers of earthworms. KNF also enables odor-free hog and poultry farming without the need to dispose of effluent. This practice has spread to over 30 countries, and is used by individuals and commercial farms. (source: Wikipedia)

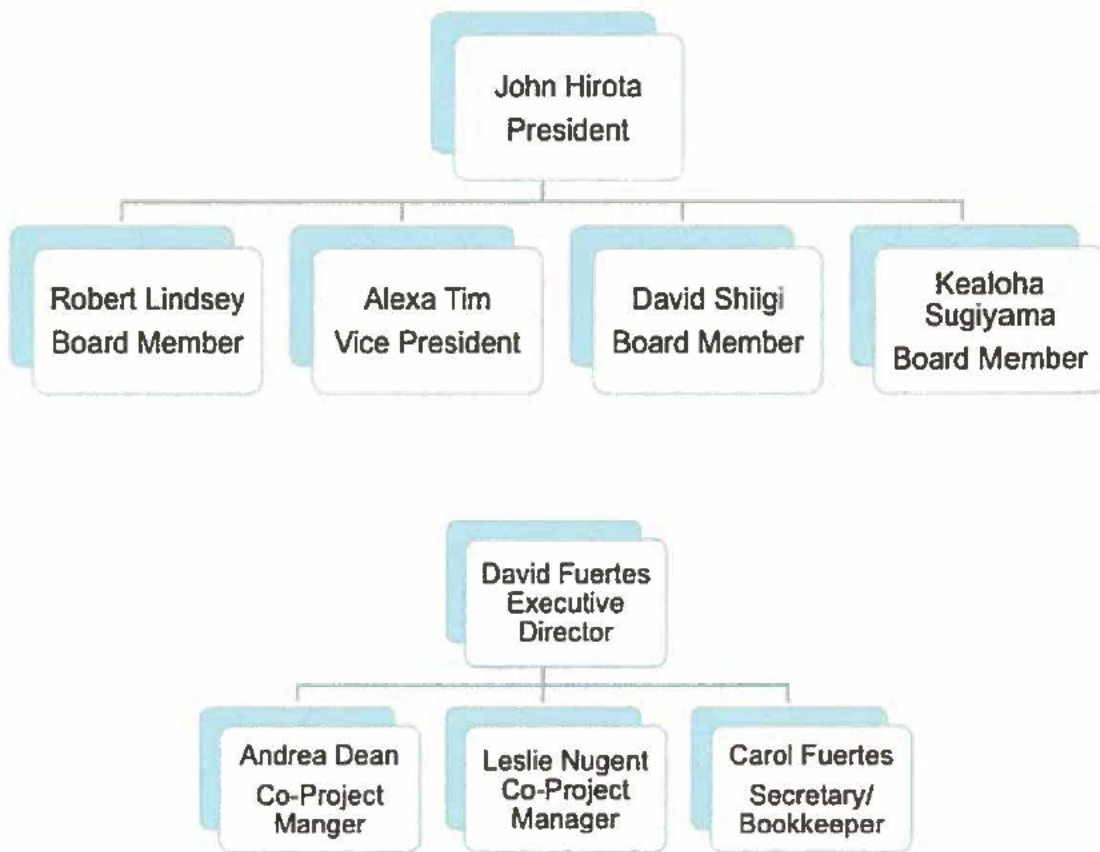
Chris Trump

Chris Trump is with the Cho Global Natural Farming Coop and has been trained by Master Cho. Chris is a commercial Macadamia nut farmer, managing 800 acres, with ten years of hands on experience in produce and livestock farming. Chis has completed the best U.S. training available in Korean Natural Farming

methods, as well as training in Korea with Master Cho, the top authority in the world. Chris has adapted Natural Farming methodologies for large-scale commercial operations and is currently running the largest Natural Farming farm in the U.S.

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 organization chart that illustrates the placement of this request.



C. Compensation

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position.

- Directors and Executive Director do not receive compensation from KPM
- Project Manager, Andrea Dean: \$7,800 (in 2014), \$19,800 (2015)
- Project Manager/Farm Manager, Leslie Nugent: \$1,000 (2014), \$13,440 (2015)
- Secretary, Carol Fuertes: \$1,000 (2014), \$6,468 (2015)

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.

- Not Applicable.

B. Licensure or Accreditation

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

- Not Applicable.

C. Federal and County Grants

The applicant shall separately specify the amount of federal and county grants awarded since July 1, 2014.

- County of Hawai'i—County Council: \$50,000 (July, 2014- June 2015) for Natural Farming Learning Lab
- USDA Farmers Market Promotion Program: \$67,863 (October 2014 – September 2016) for promotion of value-added products from taro

D. Private Educational Institutions

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see Article X, Section 1, of the State Constitution for the relevance of this question.

- Not Applicable.

E. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2015-16 the activity funded by the grant if the grant of this application is:

- (1) Received by the applicant for fiscal year 2015-16, but**
- (2) Not received by the applicant thereafter.**

The Hawai'i-based Natural Farming workshops can be self-sustaining in the future, paid for through registration fees. It is unlikely that registration fees would be able to offset travel for Master Cho workshops, future visits would continue to be grant funded.

The Natural Farming Learning Lab is beginning to make value-added products from taro and intends to be self-supporting in three years through the sale of value-added products from taro and sweetpotato.

F. Certificate of Good Standing (If the Applicant is an Organization)

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2014.

- Attached.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2015 to June 30, 2016

Applicant: Kahua Pa,a Mua, Inc.

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries	52,032	14,034	16,000	
2. Payroll Taxes & Assessments	17,171	4,632	3,407	
3. Fringe Benefits	0		0	
TOTAL PERSONNEL COST	69,203	18,666	19,407	
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Isle & Korea to Hawaii	8,400			
2. Insurance	2,000		800	
3. Lease/Rental of Equipment			2,592	
4. Lease/Rental of Space	3,000	1,200	4,500	
5. Staff Training				2,000
6. Supplies	14,562	3,375	6,121	500
7. Telecommunication		2,080		
8. Utilities	840	1,700	980	
9. Contractual - NF instructors	23,500	1,598		
10. Master Cho Honorarium	10,000			
11. Qrt evaluations & reports	5,000			
12. Meals & Lodging (2) seminars	12,495			
13. Seminar tuition (20) scholarships	16,000			
14. Farm Site Lua rentals (2) 2 seminars	1,000			
15. Tent rental (2) seminars	1,000			
16. Advertising	1,000	2,215		
17. Posters/signage/printing	1,000	1,500		
18. CPA - Audit	6,000		600	400
19. Instructional materials (NF books)	5,000			
20. Operations	0	0	10,000	0
21. Adm 10%	20,000	3,233	5,000	1,800
C. TOTAL OTHER CURRENT EXPENSES	130,797	16,901	30,593	4,700
D. EQUIPMENT PURCHASES				
E. MOTOR VEHICLE PURCHASES				
TO CAPITAL	200,000	35,567	50,000	4,700
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	200,000	Carolyn Fuentas 808-888-5381		
(b) Total Federal Funds Requested	35,567	Name (Please type or print) Phone		
(c) Total County Funds Requested	50,000	Signature of Authorized Official Date		
(d) Total Private/Other Funds Requested	4,700	Carol Fuentas, KPM, Inc. Sec/Treas.		
TOTAL BUDGET	285,567	Name and Title (Please type or print)		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2015 to June 30, 2016

Kahua P'aa Mua

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS: <p style="text-align: center;">Not Applicable.</p>				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS: <p style="text-align: center;">Not Applicable.</p>				

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2015 to June 30, 2016

Applicant: Kahua Pa'a Mua

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: 2013-2014	FY: 2014-2015	FY:2015-2016	FY:2015-2016	FY:2016-2017	FY:2017-2018
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:						
JUSTIFICATION/COMMENT Not Applicable						

GOVERNMENT CONTRACTS AND/OR GRANTS

Applicant: ___Kahua Pa'a Mua__

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1.	Natural Farming Learning Lab/Palili 'O Kohala project	7/1/2014-6/30/2015	County Council	County of Hawai'i	\$50,000
2.	Growing Social and Economic Opportunity for Hawaii Island Residents through local taro markets	10/1/14-9/30/16	USDA Farmers Market Promotion Program	U.S.	\$67,863
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
				TOTAL	\$117,863

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII REVISIED 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 pursuant to Section 42F-103, Hawaii 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 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 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.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii 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 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, Hawaii 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, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant 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 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.

Kahua Pa'a Mua, Inc.

(Typed Name of Individual or Organization)

01/27/2015

(Signature)

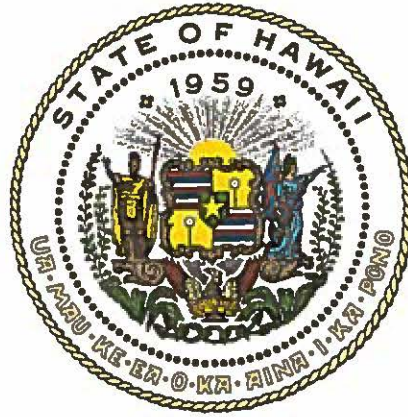
(Date)

John Hirota

President, KPM, Inc.

(Typed Name)

(Title)



Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

KAHUA PA`A MUA, INC.

was incorporated under the laws of Hawaii on 04/13/2010 ; that it is an existing nonprofit corporation; and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Nonprofit Corporations Act, regulating domestic nonprofit corporations.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: January 25, 2015

Interim Director of Commerce and Consumer Affairs



Kahua Pa'a Mua, Inc.
Balance Sheet
As of December 31, 2014

	<u>Dec 31, 14</u>
ASSETS	
Current Assets	
Checking/Savings	
HCFCU	18,904.50
Total Checking/Savings	<u>18,904.50</u>
Total Current Assets	<u>18,904.50</u>
TOTAL ASSETS	<u><u>18,904.50</u></u>
LIABILITIES & EQUITY	
Equity	
32000 - Retained Earnings	10,129.55
Net Income	8,774.95
Total Equity	<u>18,904.50</u>
TOTAL LIABILITIES & EQUITY	<u><u>18,904.50</u></u>

Verified & Submitted by:



*Carol Fuentes, Sec/Treasurer
Kahua Pa'a Mua Inc.*

BUSINESS START DATE: 4/13/2010

STATE OF HAWAII
DEPARTMENT OF TAXATION

FORM G-44A
(REV. 2001)

LICENSE ISSUED FOR THE PRIVILEGE OF ENGAGING IN BUSINESS AND OTHER ACTIVITIES UPON THE CONDITION THAT THE LICENSEE SHALL PAY THE TAXES ACCRUING TO THE STATE OF HAWAII UNDER THE PROVISIONS OF CHAPTER 237, HRS, AS AMENDED. LICENSEE'S ACTIVITIES ARE LISTED ON THE APPLICATION ON FILE WITH THE DIRECTOR OF TAXATION.

GENERAL EXCISE TAX LICENSE

HAWAII TAX ID NUMBER: [REDACTED]

THIS LICENSE IS NOT TRANSFERABLE.
TO BE DISPLAYED CONSPICUOUSLY AT THE
PLACE OF BUSINESS FOR WHICH ISSUED.

KAHUA PA'A MUA, INC
PO BOX 896
KAPAAU HI 96755-0896


Frederick D. Pabio, DIRECTOR OF TAXATION

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUN 19 2012

KAHUA PAAMUA INC
C/O D FUERTES
PO BOX 896
KAPAAU, HI 96755

Employer Identification Number:

DLN:

17053123317042

Contact Person:

JOHN J KOESTER

ID# 31364

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

December 31

Public Charity Status:

170(b)(1)(A)(vi)

Form 990 Required:

Yes

Effective Date of Exemption:

April 13, 2010

Contribution Deductibility:

Yes

Addendum Applies:

No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Sincerely,



Lois G. Lerner
Director, Exempt Organizations

Enclosure: Publication 4221-PC

Letter 947 (DO/CG)

Applicant: Kahua Pa'a Mua, Inc.
 GIA – GRANTS IN AID (STATE LEGISLATURE)
 July 2015 to July 2016
 BUDGET NARRATIVE

STAFF / SALARIES \$4,336/mo x 12 mos = \$52,032
 Fringe @ 33% = \$17,171

Personnel

Co Project Managers

Andrea Dean - 10 Hrs / week @ \$50/Hr. = \$500 /wk x 4wks = \$24,000
 \$2,000/mo. Ms. Dean holds an Masters in Business Administration and will be responsible for overall management of this project. She is also a Marketing Specialist and will be responsible for all advertising, web design and telecommunications of both seminars .

Leslie Nugent – 12 Hrs/week @ \$32/Hr = \$384/wk x 4 wks = \$18,432
 \$1,536/mo. Ms. Nugent is Certified in Natural Farming and will be responsible for coordination of both seminars while maintaining the Learning Lab for the duration of this project.

Bookkeeper/Secretary

Carol Fuertes – 10 hrs/week @ \$20/Hr - \$200/wk x 4 wks - \$800/mo. \$9,600
 Ms. Fuertes will be responsible for budgetary and all financial matters. Including A/R, A/P and staff payroll logistics. She will be also track contractual personnel and file any financial reports as required for this project.

Fringe @ 33% \$17,171

KPM,Inc. has contracted an independent payroll service who will provide TDI, Workers Compensation Ins. and all withholding taxes, Fed/State. FICA, Medicare, etc. as it pertains to all employees.

CONTRACTUAL

Dr. Hoon Park	Interpreter & Assistant to Master Cho (first seminar)	\$2,000
	Instructor (second seminar) & Prep time	\$3,500

Dr. Hoon Park is Certified as Natural Farming Instructor and serves as Liaison to Master Cho, the founder of Korean Natural Farming Institute. He is fluent in Korean language and will serve as Master Cho's interpreter for the initial Seminar (March 2016). He will serve as NF Instructor for the seminar (June 2016) and will be paid \$50/Hr. for 40 hrs of instructional time and an additional \$50/Hr as required for NF inputs and supplies for the classroom instruction.

Kim Chang	Interpreter & Assistant to Master Cho (first seminar)	\$2,000
	Instructor (second seminar) & Prep time	\$3,500

Kim Chang is Certified as Natural Farming Instructor and will serve as Interpreter as she is fluent in Korean and English languages and understands the instructions from Master Cho. She will also serve as NF instructor for the Seminar (June 2016) as part of the Hawaii NF team and be

paid at \$50/Hr for 40 hrs of instructional time with an additional \$50/Hr as required for NF inputs and supplies for the classroom instruction.

Chris Trump	NF Inputs (first seminar) Honorarium	\$1,000
	Instructor (second seminar) & Prep time	\$3,500

Chris Trump is a Certified NF instructor who will assist in Classroom and On site with participants for the initial seminar with Master Cho. He is proficient in making NF inputs and crop production. He is currently Assistant Manager at Island Harvest, Inc. with 800 acres of organic macadamia nut trees. He will serve as Instructor with the Hawaii NF team (June 2016) and be paid at \$50/Hr for 40 hrs of instructional time with an additional \$50/Hr as required for NF inputs and supplies for the classroom instruction.

Mike Hubbel	NF Chickens (2 seminars) Honorarium	\$2,000
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Mike Hubbel is Certified in Natural Farming with his expertise in Animals – Chickens. He is owner of Hubbel Hog Heaven and a producer of Pigs & Chickens raised in the Korean NF methods. He will assist the Instructors for both seminars in this area. He will be paid an Honorarium of \$1,000 for 4 full days of support in each seminar.

Mike DuPont	NF Pigs (2 seminars) Honorarium	\$2,000
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Mike DuPont is Certified in Natural Farming Animals. He has served as an Natural Farming Instructor since 2010 on Hawaii Island conducting numerous workshops on livestock management and best practices. He will assist in both Seminars (March and June 2016) for a \$1,000 Honorarium in each seminar.

Jim Cain	NF Crops (2 seminars) Honorarium	\$2,000
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Jim Cain, Owner of King Lau Lau Poi Brand Company of Waipio will assist in Crop Production and Management for both Seminars. Currently he is a Consultant in Taro/Crop Farm management and teaching organic production on site at Hoesa Farm.

Master Cho	NF Consultant/ Instructor (Korean)	\$10,000
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Master Han Kyu Cho is the founder of the Korean Natural Farming Methodology – the use of IMO or indigenous Microorganisms to produce fertile soil conditions and improve yield for all crops without the use of pesticides or herbicides. He also enables a odor-free method of raising animals without the need to dispose of effluent matter. He is renowned worldwide and his NF has been established in Asian countries and here in Hawaii . He will be paid a Consultant fee of \$10,000.

David Fuertes	(2) Seminars ClassRm & On-Site Coord.	\$2,000
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David Fuertes, Certified in Natural Farming established the Palili'OKohala NF Learning Lab at Hoesa in North Kohala. This farm was established in 2004 and has progressed to include, taro and various crops, fruit trees, a piggery & chicken house, composting area, and Input production shed. He has coordinated site visits and held numerous NF workshops on this site. He will be paid an Honorarium of \$1,000 for each seminar for his coordination of both the Makapala Retreat Center classroom site and On-site instruction at Hoesa Farms.

LeAnne Okamoto	Quarterly & Final Reports to Legislature	\$5,000
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LeAnne Okamoto served as Hawaii State FFA Foundation Director and Treasurer and assisted in the original coordination of bringing Master Cho into Hawaii to establish his Korean Natural Farming Institute – Cho Global Natural Farming International. She is owner of Lelehua Consulting, LLC, a business in public relations, program coordination, and organizational

development with focus on education and non profit organizations. She will be paid \$1,000 a quarter for report filing to the Legislature and \$2,000 for a final report to the Legislature.

TRAVEL

Master Cho + 2 = Airfare RT Korea to Hawaii Island	\$7,000
3 adults Round trip 7 days in March 2016 from So. Korea to Hawaii Island.	
Master Cho, wife and son who travels with him and assists in instruction. Incl. Flight insurance and preferred seating. Also, with layover in Oahu.	
Auto rental (7 days)@\$45/day + gas & insurance	\$400
Staff Meetings/ Coordination – travel & meals	\$1,000
Coordination meetings with contractual instructors, island-wide	
With Jim Cain – Waipio, Mike DuPont. LeAnne Okamoto, Dr. Hoon Park & Kim Chang – Hilo, and Mike Hubbel – Pahoia Coordination meetings with Staff and consultants/instructors	
Chris Trump & Makapala staff.	

LODGING & MEALS

Makapala Lodging for Workshop \$15/pp x 3x 7days (Cho grp)	\$315
Lodging in 2 bedroom cottage \$ 15pp x 7 nights	
Meals :\$12 bkfst/\$18 lunch/\$30 dinner = \$60pp/day	
3 total w/Master Cho (180 x 7 days)	\$1,260
Makapala Lodging for (20) Scholarships @ \$60 ea x 2 seminars	\$1,200
A total of 10 scholarships per session will be allows with grant funding. This will be for HS/College students going into the field of Agriculture and open to Agriculture and Science teachers throughout the State. (No travel)	
Meals (20) Scholarships @ \$240 ea x 2 seminars	\$4,800
Meals for 10 scholarships per session for 4 days only. Bkfst/Lunch/Dinner	
Seminar tuition \$100/day x 8 days x 2 seminars x 20	\$16,000
Allowance made for Seminar instructional materials such as handouts, and to Defray costs of facilities, input supplies, ground transportation, etc.	
Makapala Lodging for Staff/Instructors/Consultants	
(10) @ \$60 2 seminars	\$600
Outside consultants will be allowed to stay on site with the rest of the group. Staff who lives in Kohala will not be staying on site. 5 only per seminar.	
Meals Staff/Instructors/Consultants (18) @ \$240 ea (2 seminars)	\$4,320
Meals @ \$60 pp per day will be paid for by the grant. Only participants who are not part of staff and scholarship receipants will pay for their meals which are included in their tuition charge of \$700 per session. Only approximately 35 paying attendees will be allowed.	

FACILITIES & RENTALS**Makapala Retreat Center**

Use of Classroom/ Meal hall @ \$250/day x 8 full days (2 seminars) \$2,000

We will be using their certified kitchen for meal service and will be using their main dining hall for meals and classrooms for the duration of each seminar. 4 full days x 2 = 8 days.

Hoea Farms –Palili Natural Farming Learning Lab

Use of Site facilities @ \$250/day x 4 full days (2 seminars) \$1,000

We will be using their Hagwon (Quonset) facility for instruction and meals, their animal Facilities, Input shed, equipment (2) tractors and backhoe, and crop production areas for Hands on Instruction.

Lua rentals - two for 4 days (2 seminars) on site farm \$920

Rental of two luas on Hoea Ag farm site. (March & June seminars)

Tent rental – 20 x 40 tent for on site meals/workshop area x 4days
Incl. setup and remove \$1,000

Will need as addition work area to accommodate 50 participants on Hoea Farm site as we will be doing instruction on a 2 acre site. The Hagwon is located on east side of the property and tent will be set up on west side.

OPERATIONS/ SUPPLIES

Advertising (2 seminars) \$500 ea x 2 seminars \$1,000

Will be placing paid ads in the local papers for each seminar, putting up flyers, paid Radio announcements, etc.

Posters/Printing/ Signage \$500 ea x 2 seminars \$1,000

Cho Global NF Instruction Books @ \$50 ea. X 100participants (2 seminars) \$5,000

Cho Global NF Cooperative published a set of two books written by Master Cho on the Various techniques to make inputs for IMO production. This will be their instruction manual For each participant to keep. (2 seminars)

Supplies :Farm maintenance,Equipment use, R & M, fuel, NF Input materials,
Feed for animals, Irrigation supplies & Utilities water & Propane, etc
for NF Learning Lab as an Instructional site. Classroom instruction
and On site materials (2 seminars). \$12,482

As part of this grant, we are funding the on going operations and production of taro, sweet Potato, pigs and chickens as a measure of effectiveness.

Planning supplies - staff office supplies & postage \$1,000

Will be sending out registration notices and payment forms to all interested respondent

Scholarships will be awarded as requested up to 10 only for each seminar and the rest

Up to a total of 50 persons will be with a tuition charge of \$700 to off set cost of lodging, meals and seminar expenses.

NF Certificates @ \$20 ea (2 seminars) 100 participants	\$2,000
Cost of certificate printing and framing for each participant at estimated \$20 pp.	
Insurance \$1,000 per session – Event insurance/ & facilities	\$2,000
Liability event insurance for each event for two sites for a duration of 5 days each.	
CPA – Account Audit	\$6,000
Will retain the services of Brian Iwata of the CPA firm Taketa, Iwata Hara and Associates LLC in Hilo, Hawaii	
ADM – 10% \$200,000	\$20,000
Administrative fees paid to non profit Kahua Pa’a Mua, Inc. 501(c)3	

Filename: GIA budget narrative for submission
Directory: C:\Users\Carol\Documents
Template: C:\Users\Carol\AppData\Roaming\Microsoft\Templates\Normal.dotm
Title:
Subject:
Author: Carol
Keywords:
Comments:
Creation Date: 1/27/2015 6:03:00 AM
Change Number: 8
Last Saved On: 1/27/2015 8:19:00 AM
Last Saved By: Carol
Total Editing Time: 137 Minutes
Last Printed On: 1/27/2015 9:04:00 AM
As of Last Complete Printing
Number of Pages: 5
Number of Words: 1,665 (approx.)
Number of Characters: 9,494 (approx.)