

January 29, 2015

**COPY**

**RE: The Twenty-Eighth Legislature, Application for Grant-In-Aid, Fiscal Year 2016**

Application Copy respectfully submitted to:

Senate Committee on Ways and Means  
State Capitol, Rm. 207  
Honolulu, HI 96813

Attn: GIA

House District   26  

Senate District   11  

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

Log No:

For Legislature's Use Only

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):

  DEPARTMENT OF HUMAN SERVICES-BESSD  

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

**1. APPLICANT INFORMATION:**

Legal Name of Requesting Organization or Individual:  
  Goodwill Industries of Hawaii, Inc.  

Dbas:

Street Address:   2610 Kilihau Street  

Mailing Address:   2610 Kilihau Street, Honolulu, HI, 96819  

**2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:**

Name   LAURA D. SMITH  

Title   President/CEO  

Phone #   792-8560  

Fax #   833-4943  

E-mail   LSmith@higoodwill.org  

**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:**

For renovation of Goodwill's Honolulu Career and Learning Center at 1075 South Beretania Street, Honolulu 96814. Renovation will increase capacity to provide workforce development, employment and training services.

4. FEDERAL TAX ID # \_\_\_\_\_

5. STATE TAX ID # \_\_\_\_\_

**7. AMOUNT OF STATE FUNDS REQUESTED:**

FISCAL YEAR 2016:   \$1,000,000  

**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 \$ \_\_\_\_\_  
 COUNTY \$ \_\_\_\_\_  
 PRIVATE/OTHER   \$8,000,000  

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

\_\_\_\_\_

AUTHORIZED SIGNATURE

  LAURA D. SMITH, PRESIDENT/CEO  

NAME & TITLE

  1-29-15  

DATE SIGNED



**RECEIVED**

  1-29-15   VS

## **Application for Grants**

### **I. Background and Summary**

#### **1. Brief Description of Applicant's Background**

A nationally accredited 501(c)3 human service agency, Goodwill Industries of Hawaii (Goodwill) has served Hawaii for 55 years. Goodwill is a trusted partner with a strong statewide presence currently operating over 15 human services contracts, 11 retail stores, 24 donor convenience centers, and 4 state-certified Redemption and Donation Recycling Centers; revealing the varied ways in which we work to support the local Hawai'i community. Goodwill's mission is to "help people with employment barriers to reach their full potential and become self-sufficient."

Goodwill's Mission Services provide educational, workforce development, case management, acculturation, financial, life skills, academic, and social services. In its 2013-14 program year, Goodwill's Mission Services served 12,519 Hawaii residents, placing 1,731 into employment. Over the past 5 years, Goodwill has served over 39,500 individuals with barriers to employment, successfully placing more than 8,000 in jobs statewide.

Goodwill has been fully accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF), which sets national standards for programs serving people with disabilities, for over 30 years. In 2013, Goodwill was again awarded a three-year accreditation, the highest level attainable. Goodwill's national certification in human services shows our commitment to provide high quality services to Hawai'i's residents. Goodwill is affiliated with Goodwill Industries International (GII), an organization that includes 165 community-based, autonomous member organizations that serve people with workplace disadvantages and disabilities in the United States, Canada, and 14 other countries. Collectively, the GII network serves nearly 10 million people and placed over 261,000 into jobs last year.

The primary funding stream for Goodwill Industries of Hawaii is through earned revenue from its community retail stores and service contracts, and city, state and federal grants. The remaining revenue is provided through individual, corporate and foundation contributions.

#### **2. Goals and Objectives Related to the Request**

Goodwill respectfully requests \$1,000,000 for the renovation of its Honolulu location at 1075 So. Beretania Street. This location includes mission services program offices, a retail store, donated goods processing center, and recycling center. This facility is in dire need of renovation and increased capacity. The area served encompasses a wide expanse of Honolulu and low-income communities. The convergence of low/moderate income levels, projected job growth, and low unemployment rate necessitate an expansion in the services provided by Goodwill's Honolulu office. The renovation will primarily 1)

expand the retail store, thereby increasing its revenue base to support its mission service programs; and 2) expand the space, and improve space efficiency, of the mission services offices. *These dual renovation outcomes will increase the capacity of Goodwill's Mission Services by 20%, enabling more individuals to be served each year.*

The renovation of Goodwill's Honolulu location will yield a highly-functioning Career and Learning Center consisting of classrooms, learning labs, interview rooms and staff areas, increasing capacity to provide the following:

- At-risk youth / young adults will have the opportunity to obtain their high school diploma;
- Participants will learn effective résumé writing and interviewing skills through individual and group training, also acquiring valuable job search techniques and access to a wide variety of resources and employment opportunities;
- Adults with limited English language proficiency, who comprise a large proportion of the community residents, will be able to build their skills in literacy and basic skills classes;
- Participants will be able to develop basic computer skills in the Center's computer lab with state-of-the-art technology for job training and development, enhancing their ability for success in school or the workplace, with training and courses available on-line and through distance learning.

Additionally, the expansion will enable Goodwill to add 20 new jobs at the center, providing needed entry-level employment, and the accompanying skills development, to low-income individuals.

Thus, Goodwill proposes two (2) measurable outcomes:

- 1) Increase by 20% of participants served in mission services programs;
- 2) Addition of 20 new jobs.

The total project budget, which includes the costs associated with the land and building acquisition and facility renovation construction, is estimated at \$16,500,000. Goodwill has committed 10% of the entire project budget – \$1.68 million – from its own internal operations funding, in addition to securing a \$6.32 million commercial loan. This represents a total of \$8 million of internal commitment.

The first installment of this project, the purchase of the land and building, has been successfully completed; the total purchase price was \$8 million with a closing date of September 2014. The remaining project funds for renovation are still needed; a \$1 million appropriation from the State of Hawaii would represent approximately *6 percent of the total project amount*. Goodwill intends to secure the remaining funding needed through County, State, and Federal grant requests, corporations and private foundation grants, and contributed revenue from Goodwill sources through a capital campaign currently in progress.

It is of note that Goodwill Industries of Hawaii rarely requests CIP GIA funds. In 2006, Goodwill received \$2 million from the State to complete construction of its career center in Kapolei. Goodwill does not request GIA funds to support its ongoing operations, reserving our requests for special projects, such as the planned facility renovation that will enable expansion and sustained sufficiency of our programs.

### **3. Public Purpose and Need to be Served**

Goodwill's Honolulu Mission Services location is the largest in terms of number served. Last year, the programs located at this site served a total of 2,852 participants, placing 395 individuals into employment at an average placement hourly wage of \$8.92, working an average of 29 hours per week, with 85% eligible for benefits. The following programs are located at the Honolulu office:

**First To Work - Temporary Assistance to Needy Families & Vocational Rehabilitation:** Assists adult public assistance recipients to enter or re-enter the workforce. Our professional staff help participants develop social, life and employment skills through client-driven services which enable them to overcome barriers and transition from welfare to self-sufficiency. Evidence-based program services include job readiness training, individual job coaching and practical work experience. Our team also works closely with employers statewide to develop opportunities for clients to become successfully employed.

**Supporting Employment Empowerment (SEE):** A State of Hawaii subsidized employment program that provides public assistance recipients rewarding on-the-job training opportunities, and assists employers with their employment needs.

**Employment Services:** Assists low-income U.S. and non-US citizens with employment placement and retention with the ultimate goal of self-sufficiency. The programs provide a comprehensive spectrum of activities consisting of outreach, assessment, career counseling, pre-employment training, acculturation / English as a Second Language training, vocational training / post-secondary education support, and job development, placement, and retention.

**Ola I Ka Hana:** Works with at-risk youth under the age of 21 on their education and vocational goals. Youth participate in basic skills enrichment, academic preparation for a HS diploma or G.E.D., community service learning, employment preparation, financial literacy, health education, cultural enrichment, and leadership development.

**Volunteer Income Tax Assistance:** To reduce the barriers to accessing tax refunds, and thus assist families to build their assets, Goodwill offers its Volunteer Income Tax Assistance (VITA) Program to employees and low-income individuals and families. For the past 8 years, Goodwill's free VITA tax clinics have enabled individuals who cannot afford the high cost of tax assistance to file a return. Since its inception, Goodwill's VITA Program has trained over 300 volunteers to work in its tax clinics and successfully assisted Hawai'i's low-income residents to complete over 3,700 returns. In the most recent tax year, Goodwill assisted 1,403 individuals to file their returns, facilitating their receipt of a total of \$1,972,910 in Federal refunds including \$934,824 as Earned Income Tax Credit and \$338,395 in State refunds – it is a notable accomplishment that Goodwill's dedicated team effectuated the return of nearly \$2 million dollars to

residents of our state. GIH was distinguished as one of the top VITA sites in Hawai'i in terms of the total number of low-income taxpayers served.

**Mission-Related Employees**

Goodwill's Honolulu location also serves as an employment site for its "mission-related employees" – individuals with a disability or other barrier to employment. These employees gain valuable experience in various positions, including retail sales, cashiering, production/warehouse, and donation/recycling attendant. Goodwill provides entry-level employment for these individuals, enabling them to receive beneficial training and skills development.

*Need to be Served*

The capacity of these programs is bound by the facility space (i.e. classroom training and one-on-one office case management), which is currently used at maximum. Although these programs are operating at capacity, there is still significant need for the services in the communities. From 2007 to 2014, *the collective annual number of people served at this location increased by more than 200%* (from 1,401 to 2,852). The renovations will increase the space available for programs, thus enabling more participants to receive Goodwill's high-quality services.

Hawaii's high cost of living puts a heavy burden on low-income persons who strive to meet the state's astronomical self-sufficiency standards. In Honolulu County, the provider of a family of four must earn close to \$36/hour to adequately support his/her family. Safety net services, i.e. shelters and food banks, ensure access to basic needs during difficult economic times. These programs, however, are not a solution to poverty. Enabling individuals and families to obtain financial independence, and thus eliminate dependence on the safety net, requires efforts to improve their job readiness and assist them in securing long-term employment. Goodwill's employment and financial literacy programs represent the core of its mission work. There is a consistent association between employment and better health. When an individual achieves employment, s/he has better access to health insurance and health care, healthier foods and places to be physically active, and is at decreased risk for depression and anxiety. The benefits of employment reach beyond the individual to family and community. When one or both parents attain secure employment, children have better housing, access to health care, and nutrition. In addition to these effects, secure employment positively shapes children's healthy development via decreased parental stress, thus promoting more positive parent-child interactions. When families are employed with good jobs, they are better able to reach and sustain self-sufficiency, and thus meet basic needs and build assets. These assets can then be dedicated to educational investments for children and to strengthen the community. Thus the achievement of employment resonates to economic development for the wider community and is perpetuated to the next generation – positioning them for economic stability and affecting the cycle of poverty.

According to the Hawaii State Department of Labor and Industrial Relations, Honolulu is anticipated to account for nearly two-thirds of the total statewide job increase, contributing nearly 50,000 new jobs; the projected job growth rate in Honolulu County through 2020 is 10.5%. The projected job growth necessitates the availability of effective

workforce development programs which assist residents to develop the skills necessary to enter the growing labor market. Goodwill provides a comprehensive spectrum of employment activities that enable participants to overcome barriers, learn important skills, and to obtain employment, ultimately achieving economic self-sufficiency.

#### **4. Target Population to be Served**

The population served by Goodwill's Honolulu location experiences an array of barriers to achieving self-sufficiency; these include low-income, immigrant populations, returning from incarceration, disabilities, lower skills or a lack of education, and limited or no work history. Of the people served last year at the Honolulu office, nearly one-third (31.9%) had a disability while more than one in ten (11.9%) had multiple disabilities. Approximately one quarter (24.3%) had less than high school education. As means of support, one in five (19.4%) relied on a family member, while nearly 40% (38.8%) were dependent on public assistance and 20% had none. Over two-thirds of participants were 21-39 years of age (67.7%) and female (69%). The three most prevalent ethnic origins included Chuuk, Hawaiian, and Other Pacific Islander.

#### **5. Geographic Coverage**

The 2013 population of Urban Honolulu – the catchment area served by Goodwill's Honolulu Career and Learning Center – was 347,884. Of the two largest zip codes represented in those served at Goodwill's Honolulu location, approximately one in seven residents was below the poverty line in 2012, compared to 1 in 10 Honolulu County residents. The zip code of the Center, 96814, has a lower median household income than the State. (U.S. Census) The area served by this office encompasses a wide expanse of Honolulu and low-income communities – indicating the strong need to expand the capacity of this facility to serve an increased number of Hawaii's residents and help them to achieve economic stability for themselves and their families.

## **II. Service Summary and Outcomes**

### **1. Scope of Work, Tasks and Responsibilities**

The scope of work is to renovate Goodwill's Honolulu Career and Learning Center, located on Beretania Street. The renovations will encompass the following:

- ✓ Expansion of the retail store location
- ✓ Expansion of warehouse and production areas
- ✓ Renovation of restrooms for ADA access
- ✓ Computer lab, including open hours for résumé preparation and job search
- ✓ Classroom areas
- ✓ Office space
- ✓ Employee-friendly lunch and break space
- ✓ Community meeting space

When complete, the renovations will have added approximately 7,000 square feet of additional space to both the retail store and mission services program offices:

- The additional retail store space will yield approximately \$277,000 more in net annual revenue returned to the organization to support its mission service program operations.
- The renovations will increase the capacity of Goodwill's Mission Services by 20%, enabling more individuals to be served annually; for a total of ~3,500 served the year following the renovations.

The property to be renovated has been successfully purchased. The architect has been retained and draft building plans have been completed. Construction is anticipated to begin February 2016. The Board of Directors will provide project oversight with specific responsibilities delegated to the Master Plan Task Force and the Financing Task Force of the Board.

## **2. Projected Timeline**

The projected timeline will be of 24-months duration and consist of the following phases of activity:

Building Permitting: July 1, 2015 – January 31, 2016 (anticipated receipt of approval)

Construction: February 1, 2016 – June 30, 2017

- Identify Punch list
- Final Inspection
- Obtain Certificate of Occupancy
- Grand Opening Ceremony

## **3. Quality Assurance and Evaluation**

For 55 years, Goodwill has operated as a responsible non-profit organization whose finances are transparent to our funders and the public. Goodwill has instituted comprehensive quality assurance systems and an established methodology to ensure we are providing high quality services and meeting and/or exceeding contract and other legal requirements. Goodwill's Quality Assurance Department routinely conducts internal audits and onsite reviews for all programs; while also providing guidance and consultation with staff in order to improve and enhance program effectiveness. Goodwill's tested Quality Management Program reinforces established contract procedures and collects, tracks, reviews and analyzes program performance for process improvement as needed and required by each contract. Specific performance indicators are delineated and correlate to both achieving completion of task, timeframe, accuracy level, and other specifics as deemed mission critical. Reports are reviewed regularly and adjustments are made as needed.

The following tools and systems are used in order to provide critical data and analytical information which demonstrates Goodwill's commitment to excellence:

- Ongoing quality inspections on-site at project level
- Weekly Quality Audits and Reviews

- Monthly Quality Reviews
- Quarterly Internal Reviews
- Customer Feedback
- Regular Management and Staff Meetings

Our comprehensive quality assurance and evaluation tools incorporate the strict requirements of each of our contracts, as well as other measurements to effectively evaluate program performance and document progress. An active Board of Directors that is made up from a wide range of professions, businesses and community members governs Goodwill. The Board of Directors of Goodwill Industries of Hawaii is responsible for quality assurance and evaluation oversight. The board functions through active committees. The full board meets quarterly with the Executive/Finance and Finance/Investment Committees meetings on alternate months.

#### **4. Measures of Effectiveness**

Goodwill proposes 2 categories of measures of effectiveness to enable the State to assess the impact of the requested funding. The first set of measures is related to the renovation/construction project which the requested funding will directly support; assessment of completion of these measures will afford an objective evaluation of whether the proposed funding was used for its intended purpose, and the timeliness for the project's completion. The renovation construction measures proposed are:

- Completion of the renovation construction planning and design.
- Securement of needed permits required for renovation construction activities.
- Initiation of construction.
- Completion of facility renovation.

The second set of measures is related to the mission services programs, as it is purported the facility renovation will enable these programs to expand their capacity and serve more individuals. The Mission Services outcome measurements will include:

- Program participation and attendance levels of individuals and families.
- Number of participants who complete their training courses.
- Number of participants placed into employment.
- Average wage at placement into employment.
- Average hours worked per week and eligibility for benefits.
- Number of at-risk youth and young adults who obtain their competency-based diplomas.
- Continued and various measures of community satisfaction.

### **III. Financial**

#### **Budget**

1. See attached budget documents.

**2. Anticipated Quarterly Funding Requests – FY 2016**

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$125,000	\$125,000	\$375,000	\$375,000	\$1,000,000

**3. Other Sources of Funding**

Goodwill intends on pursuing other sources of funding to include: Other Public Funds (City and County of Honolulu Grant-in-Aid, Community Development Block Grant, Economic Development Administration); corporation and private foundation grants; and contributed revenue from Goodwill sources. Of note, Goodwill has already utilized \$1.68 million of its internal operations funding in support of the land and building acquisition.

**4. Tax Credits**

Not Applicable.

**5. Government Contracts and Grants**

The attached *Government Contracts and/or Grants* provides a list of current government contracts and grants that support Goodwill Industries of Hawaii's programs at its Honolulu Career and Learning Center.

**6. Balance – Unrestricted Current Assets**

The balance of Goodwill's unrestricted current assets, as of December 31, 2014, is \$6,000,000.

Each year, a certified public accounting firm audits Goodwill's accounting system and financial statements. For the calendar year ending December 31, 2013, Goodwill received an unqualified audit opinion reflecting the soundness of its accounting system and financial records. In addition, we have been designated as a "low-risk" auditee, which indicates we have had no findings for over a three-year consecutive period. In fact, Goodwill has had no audit exceptions and no findings or reportable conditions in over a 10-year period, indicating we hold to the highest accounting standards.

To assure fiscal stability within our organization, we apply several ratios to our financial performance:

- a) The "Current Ratio" reflects whether a business is able to meet its current obligations. The standard current ratio for a healthy business is 2.0; Goodwill's current ratio exceeds this, at 2.98 as of 12/31/2013.
- b) The "Quick Ratio" measures a business' liquidity. The optimal quick ratio is 1.0 or higher; Goodwill's ratio is 2.94.

- c) The “Net Worth Ratio” indicates how much a business is leveraged (in debt) by comparing what is owed to what is owned. The recommended ceiling of this indicator is .77; Goodwill’s net worth ratio meets this, at .77 as of 12/31/2013.

## **IV. Experience and Capability**

### **A. Necessary Skills and Experience**

As a nationally accredited human services provider, Goodwill Industries of Hawaii serves over 12,000 Hawaii residents annually through its education, employment and career development programs and last year helped over 1,700 secure employment, who otherwise would be dependent on government assistance. Goodwill has provided these services in Hawaii since 1959, and has been continuously accredited by the Commission on the Accreditation of Rehabilitation Facilities for over 30 years.

In addition to its depth of experience in administering its retail store, recycling, and donated goods operations, various service contracts, and mission services contracts and programs, Goodwill has significant experience in managing construction / renovation projects for its facilities. Within the past 3 years, Goodwill successfully managed the following projects, exemplifying its expertise in renovating both retail and mission services office space:

- 1) Ohana Career and Learning Center Photovoltaic Project, Kapolei: Installation of photovoltaic system at Ohana Career and Learning Center. Included selection and negotiation of a third-party energy agreement. Public funds through a CDBG are utilized for this project. (2014)
- 2) Kailua Retail Store Renovation, Oahu: Renovation of an existing space to serve as a retail store. Renovations included installation of flooring, space layout alterations, and other light restoration activities. No public funds were used. (2014)
- 3) Mapunapuna Office Photovoltaic Project, Honolulu: Installation of photovoltaic system at Kilihau Street office, including: a) Roof repair- removed/replaced broken panels, re-coated and sealed; and b) installation of PV system. Included selection and negotiation of a third-party energy agreement. Public funds through a CDBG were utilized for this project. (2013)
- 4) Maui Retail Store Renovation, Kahului: Renovation of an existing space to serve as a retail store. Renovations included removal and installation of walls; installation of infrastructure for HVAC, lighting; flooring. No public funds were used. (2012)
- 5) Kona Mission Services Office: Built out and created additional office space to expand program capacity. No public funds were used. (2012)

**B. Facilities**

In addition to increasing the capacity of the retail store and mission services programs, thus enabling more people in-need to be served, the renovations will also ensure a high level of health and safety adherence and ADA compliance:

*Health & Safety-* Health and Safety is recognized as one of the most important considerations for Goodwill operations. Goodwill is committed to protecting the safety and health of all employees and customers and to comply with all laws governing safety and health issues in the workplace. Safety features will be incorporated throughout the facility; examples include designated secure areas and multiple-function alarms (e.g. auditory and visual).

*ADA requirements-* Goodwill prides itself on the accessibility of its facilities and programs for persons with disabilities. Goodwill conducts annual accessibility surveys with a cross-section of people we serve to guarantee that services and facilities are readily accessible to participants and their families. Goodwill's Honolulu Facility currently meets ADA requirements; this level of compliance will be surpassed by the renovations. The exit and entrance thoroughways will be accessible for those with mobility assistive devices, and the building will have handicapped parking spaces and hallways that allow individuals to maneuver with few to no restrictions. As situations arise for assistive technology or other reasonable accommodations to be made, staff and management individually address these needs. Other facility accessibility features will include Handi-Van accommodations (i.e. parking, turn-around space, access) and wide walkways (i.e. for wheelchair access).

Goodwill also recognizes the importance of environmental conservation and sustainability. As such, multiple 'green' features will be included in the renovation. Goodwill will also ensure the facility's energy resources are utilized to maximize conservation and contribute to sustainable management of the built and natural environments, and to prevent and control for environmental hazards.

The Honolulu Mission Services offices will be open Monday through Friday. All classes will be available at no charge to the public. On an average day, approximately 100 individuals attend courses, receive case management and training, and participate in other activities.

**V. Personnel: Project Organization and Staffing**

**A. Proposed Staffing, Staff Qualifications, Supervision and Training**

Goodwill's President and Chief Executive Officer is Laura Smith who has been with Goodwill since 1982. Ms. Smith holds a Master's degree in Rehabilitation Administration, is a certified rehabilitation counselor and a certified Goodwill executive. Ms. Smith is also active in community efforts, having served on various Boards of

Directors including Goodwill Industries International, the Hawaii Employers Council, and the Hawaii Association of Non-Profit Organizations.

Goodwill's Accounting Department is led by the Vice President of Finance/CFO, Carol Taira. Carol holds a Bachelor of Business Administration, Accounting, from the University of Hawaii at Mānoa, and is a Certified Public Accountant. Carol has served as Goodwill's VP of Finance/CFO since 2005, previously serving as the Director of Finance and I.T. Carol is responsible for the financial management, preparation and analysis of financial statements, preparation of annual budgets, compliance with State and Federal reporting requirements, and contractual reporting and compliance. During their tenure, Laura and Carol have provided successful oversight of all facility renovation projects at Goodwill. The Director of Accounting Services, Marla Sakoda, plans and directs the activities of the staff of the Accounting Department to ensure that Goodwill's policies, procedures and internal controls are being adhered to.

Katy Chen is Goodwill's Chief Administrative Officer, responsible for overseeing Goodwill's Facility and Risk Management, Human Resources, Information Technology, and Marketing Departments; her purview includes overseeing property management of over 40 locations, lease negotiations, and safety. Ms. Chen has 15 years' experience as a senior leader of non-profit organizations and is also an attorney, licensed to practice in Hawaii.

Contract oversight for Goodwill's Mission Services programs is provided by Wanda Villareal, Vice President of Mission Services. Ms. Villareal oversees the administration of all of Goodwill's Mission Services contracts, program operations, and employees, ensuring compliance with regulations and high-quality performance outcomes. Wanda holds a M.A. in Education.

Lindsey Pelliccia serves as Goodwill's Vice-President of Business Operations, responsible for the organization's Retail/Donated Goods and Contract Operations. Ms. Pelliccia has substantial experience working in a variety of retail environments, and holds a Masters of Business Administration. Katherine Keir, Vice-President of Mission Advancement, is responsible for program and business development, and holds a Master of Public Health. Goodwill will procure any needed consultants that are required to complete the project (i.e. architectural, contractor).

Collectively, Goodwill's Executive Leadership Team has the requisite knowledge and experience to provide oversight of the renovation project. Knowledge and experience in the spectrum of construction/contract management, personnel, and financial requirements positions Goodwill's team to successfully implement the proposed renovations. It has successfully completed several similar projects in scope, and will apply the same standards of quality and efficient resource use to the proposed project. The renovation project will fall under the purview of Katy Chen, Chief Administrative Officer, with oversight by Laura Smith and Goodwill's Board of Directors.

**B. Organization Chart**

Please see attached Organization Chart.

**C. Compensation**

<b>Position</b>	<b>Employee</b>	<b>Annual Salary</b>
President and CEO	Laura Smith	\$183,351
Vice-President, Finance / CFO	Carol Taira	\$122,843
Chief Administrative Officer	Katy Chen	\$110,000

Goodwill takes care to comply with all IRS standards and utilizes a rigorous process to ensure we hire and retain the necessary leadership and talent to navigate the services we provide that are relevant to the local community we serve. Our Board of Directors determines the CEO's salary as well as all senior leadership salary schedules. A clear and empirical process using widely accepted best practices including a comparative analysis of similarly sized organizations and comparison of both local and other Goodwill market data is used. Goodwill uses a social enterprise business model that includes stores, donations management, job training, commercial services, and a host of career and community-based services. The skills required to lead such diverse business units are taken into consideration in regards to compensation. The organization does not utilize any government funds to pay the salary of its CEO.

**VI. Other****A. Litigation**

There is no pending litigation.

**B. Licensure or Accreditation**

Goodwill has been fully accredited by The Commission on Accreditation of Rehabilitation Facilities (CARF), which sets national standards for programs serving people with disabilities, for over 30 years. An organization undergoing CARF accreditation is scrutinized on the quality of services it provides to persons with disabilities and economic disadvantages. In July 2013, Goodwill was again awarded a three-year accreditation, the highest level of accreditation attainable. Goodwill's national certification in human services shows our commitment and validates the high quality of our program services delivered to Hawaii's residents.

**C. Federal and County Grants**

U.S. Internal Revenue Service: Award received October 1, 2014 in support of Goodwill's Volunteer Income Tax Assistance Program.  
\$23,000/year, January 2015 – December 2017.

**D. Private Educational Institutions**

Not Applicable; the grant will not be used to support or benefit a private educational institution.

**E. Future Sustainability Plan**

Goodwill is a unique non-profit as the net revenue from its retail operations is used to support its mission services. Using this social enterprise model, Goodwill is able to earn a large portion of its operating revenues through its retail sales. This model provides Goodwill with a revenue source that allows it to be less dependent on government and grant funds. As afore-described, the planned renovation and expansion of Goodwill's Honolulu Career and Learning Center will increase the space available for its retail store and donations operations. The anticipated increase in square footage will yield an estimated \$277,000 more in net annual revenue. Per Goodwill's social enterprise model, this anticipated net revenue will be cycled back to support its mission services programs. Thus, the request for funding support for Goodwill's renovation project is a truly sustainable investment, as it will enhance Goodwill's capacity to increase the revenue generated by its retail operations, thereby contributing more support on an annual basis toward its mission services, sustaining these services in the long-term.

Goodwill is requesting a one-time investment in GIA funds to support the Honolulu Career and Learning Center renovation project. This will subsequently enable Goodwill to further its capacity to self-sustain its services. Goodwill concurrently prioritizes delivering high-quality mission services programs and maximizing its retail operations to make the most of its social enterprise model. Beyond the grant period, Goodwill will continue to strategize to best maximize the retail sales of its Honolulu location, and leverage the net revenue to continue to increase the capacity of its mission services programs.

Goodwill's intensive employment services programs enable participants to achieve employment and thus become self-sufficient – and no longer dependent on services. The relative amount of support needed for its mission service program operations and expansion, compared to the resultant self-sufficiency of the participants as achieved through employment and their decreased dependence on public safety net services, also yields a positive return on investment ratio.

**F. Certificate of Good Standing**

Please see attached Certificate of Good Standing, dated December 5, 2014.

## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2015 to June 30, 2016

Applicant: Goodwill Industries of Hawaii, Inc.

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
<b>A. PERSONNEL COST</b>				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
<b>TOTAL PERSONNEL COST</b>				
<b>B. OTHER CURRENT EXPENSES</b>				
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				
<b>TOTAL OTHER CURRENT EXPENSES</b>				
<b>C. EQUIPMENT PURCHASES</b>				
<b>D. MOTOR VEHICLE PURCHASES</b>				
<b>E. CAPITAL</b>	\$ 1,000,000	\$ 1,000,000	\$ 1,250,000	\$ 13,250,000
<b>TOTAL (A+B+C+D+E)</b>				
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	1,000,000	Laura D. Smith <span style="float: right;">792-8560</span>		
(b) Total Federal Funds Requested	1,000,000	Name (Please type or print) <span style="float: right;">Phone</span>		
(c) Total County Funds Requested	1,250,000	[Redacted Signature] <span style="float: right;">1-29-15</span>		
(d) Total Private/Other Funds Requested	13,250,000	Signature of Authorized Official <span style="float: right;">Date</span>		
<b>TOTAL BUDGET</b>	<b>16,500,000</b>	Laura D. Smith, President/CEO		
		Name and Title (Please type or print)		

## BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2015 to June 30, 2016

Applicant: Goodwill Industries of Hawaii, Inc.

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
<b>TOTAL:</b>				
<b>JUSTIFICATION/COMMENTS:</b>				

## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2015 to June 30, 2016

Applicant: Goodwill Industries of Hawaii, Inc.

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				

**JUSTIFICATION/COMMENTS:**

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				

**JUSTIFICATION/COMMENTS:**

## BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2015 to June 30, 2016

Applicant: Goodwill Industries of Hawaii, Inc.

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: 2013-2014	FY: 2014-2015	FY:2015-2016	FY:2015-2016	FY:2016-2017	FY:2017-2018
	PLANS	0	0			0
LAND ACQUISITION	0	\$ 8,000,000			0	0
DESIGN	0	0			0	0
CONSTRUCTION	0	0	\$ 1,000,000	\$ 7,500,000	0	0
EQUIPMENT	0	0			0	0
<b>TOTAL:</b>	0	8,000,000	1,000,000	7,500,000		

**JUSTIFICATION/COMMENTS:** The total project cost is \$16.5 million, of which Goodwill has contributed 10% (\$1.68 million) from its internal operations funding. The request from the State of Hawaii is 6% of the total cost.

# GOVERNMENT CONTRACTS AND/OR GRANTS

Applicant: Goodwill Industries of Hawaii, Inc.

	<b>CONTRACT DESCRIPTION</b>	<b>EFFECTIVE DATES</b>	<b>AGENCY</b>	<b>GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau )</b>	<b>CONTRACT VALUE</b>
1.	Provide Case Management, Vocational Rehabilitation, Employment and Support Services for Temporary Assistance for Needy Families (TANF) Households	November 1, 2011 to June 30, 2015	Department of Human Services, Benefit, Employment and Support Services Division	State of Hawaii	\$4,500,000 per year (Statewide)
2.	Provide Supporting Employment Empowerment (SEE) Program Services for Temporary Assistance for Needy Families (TANF) Families Statewide	October 1, 2011 to June 30, 2015	Department of Human Services, Benefit, Employment and Support Services Division	State of Hawaii	\$1,700,000 per year (Statewide)
3.	Maintenance of Effort (MOE) Contract for Positive Youth Development Program for At Risk Youth	March 1, 2011 to December 31, 2015	Department of Human Services, Benefit, Employment and Support Services Division	State of Hawaii	\$100,000 per year
4.	Employment Core Services for Immigrants	July 1, 2013 to June 30, 2015	Department of Labor and Industrial Relations, Office of Community Services	State of Hawaii	\$300,000 per year (Oahu and Hawaii)
5.	Employment Core Services for Reintegrating Individuals	June 2, 2014 to June 30, 2015	Department of Labor and Industrial Relations, Office of	State of Hawaii	\$250,000 (Oahu and Hawaii)

**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.

Goodwill Industries of Hawaii, Inc.  
(Typed Name of Individual or Organization)



(Signature)

1-29-15

(Date)

Laura D. Smith  
(Typed Name)

President/CEO  
(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

**GOODWILL INDUSTRIES OF HAWAII, INC.**

was incorporated under the laws of Hawaii on 06/04/1959 ; 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.

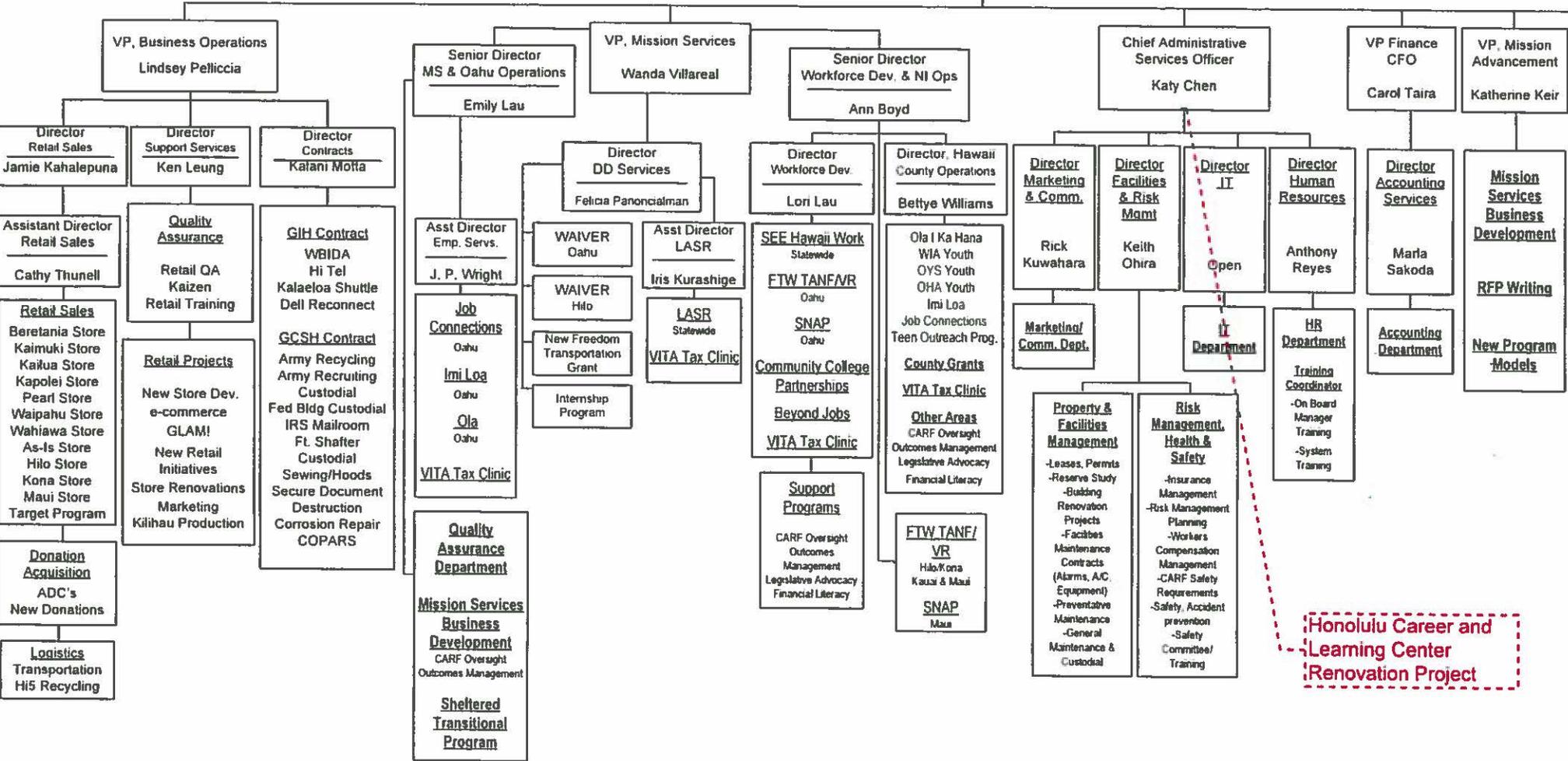
Dated: December 05, 2014

Director of Commerce and Consumer Affairs



Effective: 1/1/15

Board of Directors  
President/CEO  
Laura Smith





**GOODWILL INDUSTRIES OF HAWAII, INC.  
HONOLULU CAREER AND LEARNING CENTER  
RENOVATION & EXPANSION**

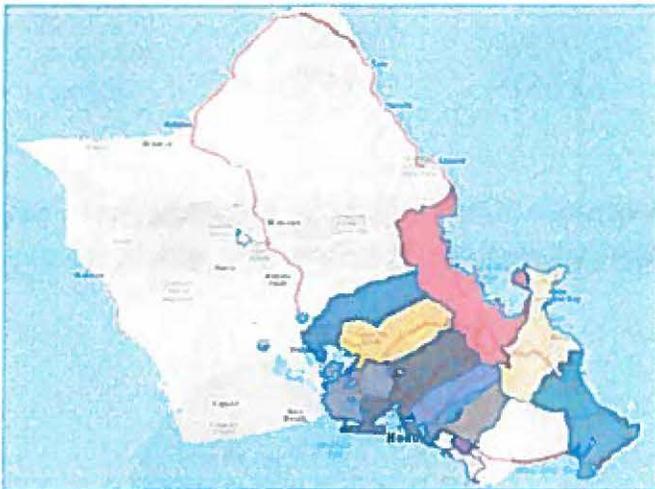
**IN RESPONSE TO COMMUNITY NEEDS...**

Goodwill will renovate and expand its Honolulu Career and Learning Center located at 1075 South Beretania Street.

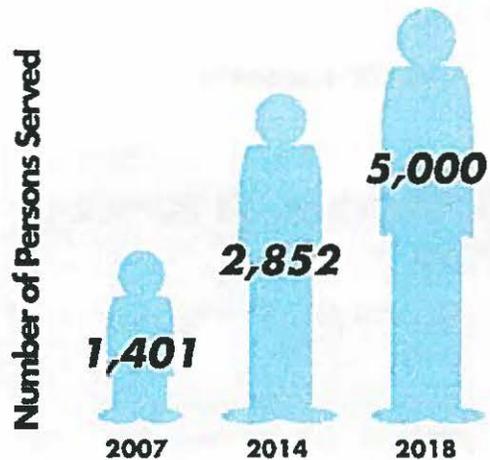


- Will be expanded and renovated to include a **70,000 square foot** building with technology-equipped classrooms for career development and training.
- A retail store and donation center, creating employment opportunities and generating funds for operating costs and sustainability.
- Expand the space available for Honolulu families to learn valuable skills. The renovations will allow Goodwill's Mission Services to serve **20% more** people every year.

**COMMUNITIES SERVED BY GOODWILL'S HONOLULU CAREER AND LEARNING CENTER**



**HONOLULU LOCATION – PERSONS SERVED 2007, 2014, 2018 (PROJECTION)**



**EMPLOYMENT RESULTS:**



Last year, Goodwill's statewide programs served **12,519** people.