

House District _____

Senate District _____

**THE TWENTY-NINTH 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):

___ STATE PUBLIC CHARTER SCHOOL COMMISSION _____

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
FRIENDS OF THE VOLCANO SCHOOL OF ARTS & SCIENCES

Dba: FRIENDS OF VOLCANO SCHOOL OF ARTS & SCIENCES

Street Address: 99-128 OLD VOLCANO ROAD, VOLCANO, HI 96785

Mailing Address: PO BOX 845, VOLCANO, HI 96785

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name AMALIE DORN

Title FVSAS CHAIRPERSON

Phone # 808-985-9800

Fax # 808-985-9898

E-mail friendsofvsas@gmail.com

3. TYPE OF BUSINESS ENTITY:

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

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2018: \$ 1,700,000

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 \$ 1,700,000

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ _____

AMALIE DORN, CHAIRPERSON
NAME & TITLE

1/18/17
DATE SIGNED



RECEIVED

1/20/17

na

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;

The Friends of Volcano School of Arts & Sciences (hereinafter FVSAS) is a 501c(3) not-for-profit organization that supports The Volcano School of Arts & Sciences (hereinafter VSAS), a well-regarded public charter school that has been serving the greater Volcano community of east Hawai'i island since 2001. The school maintains a current enrollment of 175 students from Kindergarten through the 8th grade and has a waiting list of 38 applicants. Class sizes are generally limited to between 18 and 21 students depending upon the grade level. 66% of the school's student body comes from well outside the Volcano area, from as far away as Pahala and Na'alehu to the south in Ka'u and Kea'au and Mountain View to the north in Puna..

VSAS' educational mission is to provide a solid foundation of learning for its students by focusing on the unique ecosystems, geology, and culture of the area encompassing Hawai'i Volcanoes National Park and its environs, cultivating personal and collective responsibility for nature and the environment, fostering respect and understanding for Native Hawaiian knowledge and practices, and involving families and the greater Volcano community in ongoing partnerships. The Volcano School of Arts & Sciences is a model for communities in Hawai'i that wish to take advantage of their own specialized environments to teach their children and to exercise local governance of the learning process.

2. The goals and objectives related to the request;

FVSAS is seeking \$1.7 million for a portion of construction for the Preschool through 4th grade classroom buildings. The school has signed a long-term (60 year) no-cost lease with the State Department of Land and Natural Resources for the 3.15-acre site on Haunani Road. With completion of planning and site preparation for the Keakealani Campus project on schedule for June 2017, FVSAS is ready to begin construction of the Preschool - 8th grade facilities in July 2017.

The Keakealani Campus currently houses the VSAS middle school, and this expansion will allow the school to relocate its elementary classes to the Keakealani site, thus consolidating the

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elementary and middle school grades on one locale and providing adequate facilities for high quality learning for all students.

This project will retain and later modernize the historic existing school building, in a manner that both enhances its historic status as a community landmark, and maintain the original intent of the family of the late Peter Lee, who in 1915 donated the property upon which the original building is sited, for the expressed purpose of building a public school for the greater Volcano community.

Curriculum drives innovation of building design of the VSAS Keakealani Campus. The Preschool through 4th grade classrooms will be equipped with ample classroom space for hands-on, experiential learning; shared breakout spaces for small group instruction; and seamless access to gardens and open spaces for play and outdoor learning.

Once completed, the Keakealani Campus will be able to accommodate up to 200 students and will consist of 16 classrooms including co-curricular classrooms such as Music, Art, 'Ike Hawai'i, and Japanese for all elementary students, access to art and technology STEAM labs, indoor and outdoor "breakout" spaces for small group learning activities, garden areas, covered walkways, a multi-purpose center large enough for all school assemblies and community events, a commercial kitchen, an administrative building, parking, and a drop-off roundabout. The campus design reflects the VSAS vision of a learning village surrounding a center piko courtyard for gathering, outdoor learning, play, and morning opening protocol, Piko Wehena.

Reflecting VSAS' commitment to environmental responsibility and stewardship, the master plan incorporates solar electricity, solar hot water, radiant floor heating, effective use of natural light and air flow, and the employment of local and renewable resources. This campus design provides adequate teaching space, maximizes open play space, and preserves the existing historic Keakealani school house.

The State of Hawai'i has released a \$618,000 appropriation from the State Legislature for purposes of planning, design and site preparation. At the time of this writing, schematic designs for the entire campus have been completed and design development is on schedule for completion by March 1, 2017 with construction documents completed by April 2017. FVSAS has contracted with Stantec, Inc. to complete an Environmental Assessment (EA), which is underway and estimated for completion in May 2017. In addition, FVSAS has received State of Hawai'i has appropriated \$285,000 for the purpose of construction for a Commercial Kitchen. Plans for the kitchen building are completed and construction will begin upon completion of site preparation. Lynn Melena, VSAS Governing Board member and former federal contracting officer, is serving as Planning Coordinator (i.e. Project Manager) for this project.

3. The public purpose and need to be served;

The Friends of the VSAS has the opportunity to assist in developing a permanent campus for the students of The Volcano School of Arts & Sciences at the historic Keakealani site on Haunani Road, thus restoring the original intent of the Lee Family's donation of this land in 1914 as a school for the children of Volcano, Hawaii and surrounding communities. The 6th through 8th grades started classes in the historic two-room schoolhouse in Fall 2011, with the basement adapted to provide two additional classrooms. Construction of additional classrooms is needed before the remaining elementary school can move from their current location on Old Volcano Road to the Keakealani site.

This project will retain the historic existing school building, and add additional structures to provide classrooms and auxiliary spaces for up to 200 students total in grades PreK-8. An administration building and a multi-purpose building will be part of the development. It is the desire of the Friends of the VSAS, working closely with the VSAS school administration, VSAS Governing Board, and the Volcano community, to assist in the creating of a facility that uses leading edge technology towards energy self-sufficiency and new building materials that are "green" in their composition, yet at the same time respect the traditional rural architectural style that is one of the hallmarks of the Volcano community.

Being able to construct the classroom buildings at the Keakealani site will enable the students of The Volcano School of Arts & Sciences to finally have a permanent educational facility that supports high quality learning. The campus will provide a much-needed preschool for the greater Volcano community with the nearest preschool 15 miles away. The new Keakealani campus will also maintain the original intent of the property, which was donated to the Department of Education to be used as a school for the children of the greater Volcano community. In keeping with the vision and mission of the school, the new Keakealani facility will incorporate community partnerships, responsibility for nature and the environment through its use of "green" building approaches, and provide a solid academic foundation for students.

In addition, FVSAS and VSAS are committed to serve the community by encouraging economic growth for businesses in the Puna and Ka'u areas by relying on local businesses, farms, and other resources in the Puna and Ka'u districts for its products and services.

4. Describe the target population to be served; and

The Friends of the Volcano School of Arts & Sciences primarily serves the target population through our support role to VSAS. VSAS' current school enrollment for School Year 2015-2016 in grades K-8 is 174, representing an increase of 16 students since last school-year. VSAS enrollment is expected to grow to 194 students in 2017-18 and 250 in 2018-19. VSAS is adding a Pre-K program in school-year 2017-18.

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About 35% of the students reside in the Volcano area, 23% in upper Puna communities outside of the greater Volcano area such as Mountain View, 34% from communities in Ka'u including Pahala, Na'alehu, and Ocean View. 8% of VSAS students come from lower Puna and Hilo. Approximately 42% of students travel over 30-50 miles one way to attend VSAS. The distance that students travel, the high level of parent involvement, and consistently positive annual parent feedback surveys indicate not only satisfaction with the services that VSAS offers its students, but also the willingness of families to put forth the effort to ensure that their children are afforded a quality education.

VSAS students are of a diverse ethnic and socio-economic mix. In the 2016-2017 school-year, the primary ethnicities as reported by the families were: Caucasian (35%), Pacific Islander (24%), Hispanic (14%), Asian (8%), American Indian or Alaska Native (1.2%), and Black (.6%) with 17% reporting multiple ethnicities. More than half of the students at VSAS are of mixed race and 39% of VSAS students are Native Hawaiian. 64% of VSAS students come from families living below the federal poverty line.

While the target population for this project will first and foremost be the students enrolled at Volcano School, the wider Volcano community, volunteers, and parents will benefit from the enhanced educational offerings and community service that the school provides, due to support from this project.

5. Describe the geographic coverage.

The Friends of the VSAS is co-located with VSAS and serves the Puna and Ka'u districts in the southern region of the Island. The Kea'au-Mountain View division is the region in Puna that is nearest the school, and Volcano and Fern Forest are the communities in that particular division that are most served by school. Approximately one-third of VSAS students are from the district of Ka'u. The school's service area stretches some 65 miles along Hwy. 11, from Kea'au outside of Hilo to Na'alehu near South Point.

County of Hawai'i: The State of Hawai'i has a land area of approximately 6,400 square miles, and the Island of Hawai'i is about 4,000 square miles, making it by far the largest island in the chain. The 2012 U.S. Census estimates that as of 2012 the island's total population was 189,191, or about 14% of the state's population of 1,392,313. With 63% of the state land area, the County of Hawaii is sparsely populated, with an average of 47 persons per square mile according to the 2010 U.S. Census.

Puna and Ka'u: According to the mostly recent available census data (Census 2010), the Kaaau-Mountain View region has a land area of 232 square miles and a population of 34,266, with about 147.7 persons per square mile, significantly higher than the county average. The Ka'u region is very sparsely populated, averaging only about 9 persons per square mile with a large land area of 1,196.6 square miles and a population of 8,451.

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Both Ka'u and Puna have the highest agricultural land usage in the County of Hawai'i. Ka'u has by far the highest conservation usage at over 427,000 acres, nearly double the next largest amount of conservation land of 236,315 acres in the district of Hamakua.

Puna has had the fastest growing rate of residential construction on the island, based on permits issued. Commercial construction has also occurred, but not at as high a rate. This rapid increase of new residents has outpaced infrastructure, and has resulted in long-distance travel for many basic necessities. Ka'u has also experienced a recent boom in construction, though this seems to have slowed. Puna and Ka'u also have had the highest rate of vacant land sales, accounting for almost 4/5 of all land sales on the island in 2006. Median dollar values of both single-family homes and vacant land in Puna and Ka'u are the lowest on the island.

Volcano Community: The community of Volcano lies 30 miles from Hilo amid tree ferns and lava flows at 4,000 feet elevation on the east flank of Mauna Loa. The Volcano area is geographically and biologically unique, even in a state remarkable for its diversity. The students of VSAS study next to the world's most active volcano surrounded by many native, endemic, and endangered plants and animals.

The Volcano area, which includes Volcano Village and neighboring communities, encompasses a land area of about 57 square miles with a population of 2,231 as of the Census 2000, about 39 persons per square mile and representative of the county average.

The school is supported by the diverse partnering organizations that make up the Volcano community, including Hawai'i Volcanoes National Park, Kilauea Military Camp, the U.S. Geological Survey, Hawai'i Volcano Observatory, the Volcano Art Center, Rotary Club of Volcano, Three Mountain Alliance, The Cooper Center, Volcano Garden Arts as well as other community resources such as agricultural entrepreneurs and senior citizens.

Volcano is also well known for its community of artists. The school provides an enriched arts curriculum, taking advantage of community experts and offering a spectrum of opportunities for learning and exploration through the visual and performing arts. VSAS is a learning community that is closely connected to its physical environs and to the values held by the larger community.

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;

FVSAS is seeking \$1.7 million for a portion of construction for the Preschool through 4th grade classroom buildings. Once completed, this project will provide a permanent educational facility

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to allow the school to relocate its elementary classes to the Keakealani site, thus vacating the current inadequate facilities and consolidating the elementary and middle school grades on one locale. This project will also provide a much-needed preschool for the greater Volcano community and will retain the existing historic school building. The project will include a stand alone preschool classroom with self-contained bathroom facilities and a single-story building with five classrooms for Kindergarten through 4th grades, two shared breakout spaces, bathroom facilities, storage, and covered walkways. The Preschool through 4th grade classrooms will be equipped with ample classroom space for hands-on, experiential learning; shared breakout spaces for small group instruction; and seamless access to garden and open spaces for play and outdoor learning.

The State of Hawai'i has released a \$618,000 appropriation from the State Legislature for purposes of planning, design and site preparation. At the time of this writing, schematic designs for the entire campus have been completed and design development is on schedule for completion by March 1, 2017 with construction documents completed by April 2017. FVSAS has contracted with Stantec, Inc. to complete an Environmental Assessment (EA), which is underway and estimated for completion in May 2017. Boone Morrison AIA will continue to serve as Managing Architect. Lynn Melena is currently serving as project manager for design and development phases of the project and will transition the role in April 2017 to a Project Manager, who will oversee construction phases of the project.

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

The planning and design phases of the school's relocation and expansion are nearing completion thanks to an appropriation from state legislature, community involvement, volunteerism, and donations with the school and its non-profit organization—Friends of the Volcano School of Arts & Sciences—covering the remaining costs.

<u>Description of Task</u>	<u>Start Date</u>	<u>End Date</u>	<u>Current Status</u> <i>(completed, in progress, scheduled)</i>
Architect Plans	August 2016	February 2017	In Progress
Building Permits	May 2017	June 2017	Scheduled
Actual Construction	July 2017	March 2018	Scheduled
Commencement of Services	August 2018	n/a	Scheduled

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

FVSAS will procure a Project Manager to manage this project and to be responsible for the oversight of all construction-related processes including timelines, procurement, and fiscal management. The Project Manager will work directly with the architect and other individuals associated with the project to ensure its completion, both in a timely manner and according to prior specifications. FVSAS, with input from VSAS, will monitor the project manager's performance to ensure compliance with the contract schedule, specifications, terms and conditions. Finally, all appropriate County and State agencies will certify completed work.

A Planning Coordinator (i.e. pre-construction project manager) is currently managing the design and development phase of this project and will oversee procurement of the Project Manager, as well as construction firms and consultants for initial construction phases. Upon completion of transition of the project to the Project Manager, a FVSAS director will be responsible for oversight and monitoring of the Project Manager.

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.

FVSAS plans to break ground on the new facility by July 2017 and will work closely with the State Public Charter School Commission as the expending agency to ensure the timely release of funds, which will keep the development of the VSAS campus on track.

Measure of Effectiveness	Outcome
<ul style="list-style-type: none"> ● Release of Funds ● Update Project Budget Plan ● Prepare and Approve Bid Packets ● Contractors Selected ● Continue Capital Campaign ● Architectural Plans & Specifications Completed/Permitting Process 	<p>To be completed, during Q1, upon award/release:</p> <ul style="list-style-type: none"> ● Release of funds progressing ● Project budget revised ● GIA contract executed ● Bid packets prepared and presented to the board for review and approval ● Bidding process completed ● Plans submitted to DPW for approval ● Contractors under contract ● Permit pulled ● Grants submitted (as needed) ● Reports submitted (QTR reports due to the

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	State)
<ul style="list-style-type: none"> ● Construction ● Continue Capital Campaign 	To be completed, during Q2, upon award/ release: <ul style="list-style-type: none"> ● Site mobilization completed ● Grubbing and grading completed ● Infrastructure & utilities to building (horizontal building) ● Framing, drywalling (vertical building) ● Grants submitted (as needed) ● Reports submitted
<ul style="list-style-type: none"> ● Construction ● Continue Capital Campaign 	To be completed, during Q3, upon award/release: <ul style="list-style-type: none"> ● Electrical and plumbing rough in ● Exterior siding, interior finishing ● Electrical and plumbing finished to occupancy ● Obtain certificate of occupancy permit (COO) ● Grants submitted (as needed) ● Reports submitted

III. Financial

Budget

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

Please see attached.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2018.

Quarter 1: July 1 - Sep. 30, 2017	Quarter 2: Oct. 1 - Dec. 31, 2017	Quarter 3: Jan 1, - Mar. 31, 2018	Quarter 4: Apr. 1 - June 30, 2018	Total Grant FY 2017-2018
\$850,000	\$510,000	\$340,000	\$0	\$1,700,000

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2018.

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FVSAS is not seeking any additional federal, state, or county governing funding for FY2018.

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.

FVSAS has not been granted state and federal tax credits at this time, but FVSAS is actively seeking New Markets Tax Credits via Pacific Growth Associates to support the Capital Improvement Project. It is estimated that New Markets Tax Credits could provide a 17–22% subsidy to the project, upon FVSAS raising 78–83% of the Project costs. If the 2017 Grant-in-Aid is awarded, KCA will have the leverage to access New Markets Tax Credits.

New Markets Tax Credit Program

The federal New Markets Tax Credit (NMTC) program is currently the largest federal economic development incentive program. The program was enacted as part of the Community Renewal Tax Relief Act of 2000 to encourage investment in low-income urban neighborhoods and rural communities that lack access to the capital needed to support and grow businesses, create jobs, and sustain healthy local economies.

The original authorizing legislation provided \$15 billion in NMTC authority between 2000 and 2007. With extensions of the program, to date, the Community Development Financial Institutions (CDFI) Fund has awarded a total of \$33 billion in New Markets Tax Credit allocation authority. Between 2003 and 2010, NMTC investments were responsible for creating over 500,000 jobs in economically distressed communities across America and generating over \$5.3 billion in federal tax revenue and over \$3 billion in state and local taxes.[1]

NMTCs are a tax credit, not a tax deduction. A tax credit can be given to the IRS instead of making a cash payment for taxes owed by the investor. The investor is typically a bank or insurance company.

NMTC is very flexible and can be used for a wide range of purposes. Most types of businesses, including not-for-profit businesses are eligible for NMTC subsidy. The program has supported a wide variety of community and economic development initiatives including restaurants, childcare facilities, community centers, charter schools, supermarkets, shopping centers, manufacturing and industrial facilities, health care centers, and mixed-use buildings with affordable housing. For the many communities that could benefit from the NMTC, the first step is to understand how it works.

In brief, the Community Development Financial Institutions (CDFI) Fund, part of the U.S. Treasury Department, certifies qualified community development entities (CDEs) and conducts competitions for the allocation of NMTCs to CDEs. An “allocation” allows the CDE to select a

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project and coordinate funding, including by receiving the tax credit investor's capital and directing the tax benefits to the investor.

The size of the NMTC is 39% of the capital assembled by the CDE. The capital is typically approximately the project budget amount. At closing, investors pay a percentage of the total benefits they receive over time. This means the tax credits result in a subsidy for projects typically in the range of 17 – 22% of the total capital raised by the CDE. The capital must be used for qualifying projects, usually required to be located in low-income census tracts or projects that serve or employ low-income persons.

Business owners, financial institutions and community economic development leaders are now realizing the various ways the New Markets Tax Credit program can help finance projects and stimulate economic growth.

On January 3, 2013 President Obama signed the American Taxpayer Relief Act of 2012 that included an extension of the New Markets Tax Credit Program for 2012 and 2013. The tax credit allocation authority is \$3.5 billion for each year.[2] If history is any guide, this \$1.8 billion in federal investment will leverage more than \$14 billion in total investment in rural and urban areas struggling with high rates of unemployment and poverty, creating over 100,000 jobs.[3]

In April, Treasury announced it would combine the 2015 and 2016 rounds, for a total of \$7 billion in NMTC allocations, allowing the 2016 and future award rounds to be announced in the year in which they are authorized. This action was made possible as a result of the PATH Act, which Congress passed in December 2015, providing for a five-year extension. The legislation provided the single largest and longest investment in the community development program's history.[4]

[1] "New Markets Tax Credit Coalition Commends Extension of New Markets Tax Credit in American Taxpayer Relief Act. Fiscal Cliff Legislation Provides Two-Year Extension to Federal Tax Credit Program Proven to Fuel Private Investment in Economically Distressed Communities." NMTC Coalition. Posted on January 4, 2013. Viewed March 11, 2013. <http://nmtccoalition.org/2013/01/new-markets-tax-credit-coalition-commends-extension-of-new-markets-tax-credit-in-american-taxpayer-relief-act/>.

[2] "New Markets Tax Credit Program Update." United States Department of the Treasury, Community Development Financial Institutions Fund. Last updated/reviewed: 01/03.2013. Viewed March 11, 2013. http://cdfifund.gov/news_events/CDFI-2013-01-New-Markets-Tax-Credit-Program-Update.asp.

[3] "New Markets Tax Credit Coalition Commends Extension of New Markets Tax Credit in American Taxpayer Relief Act. Fiscal Cliff Legislation Provides Two-Year Extension to Federal Tax Credit Program Proven to Fuel Private Investment in Economically Distressed Communities." NMTC Coalition. Posted on January 4, 2013. Viewed March 11, 2013. <http://nmtccoalition.org/2013/01/new-markets-tax-credit-coalition-commends-extension-of-new-markets-tax-credit-in-american-taxpayer-relief-act/>.

[4] "Treasury Announces Record \$7 billion in NMTC Award." NMTC Coalition. Posted on November 17, 2016. Viewed January 16, 2017. <http://nmtccoalition.org/2016/11/17/treasury-announces-record-7-billion-in-nmtc-award/>.

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5. The applicant shall provide a listing of all federal, state, and county government contracts and grants it has been and will be receiving for program funding.

\$618,000 per Act 106, Session Laws of Hawaii 2012, for the plans, design, and site preparation in relation to VSAS Keakealani campus in Volcano Village. Funds were released by the executive branch in April 2014. An extension of this appropriation was granted through June 30, 2017. FVSAS is currently on track for completing phases and drawing down funds pertaining to this grant contract.

\$285,000 per Act 119, Session Laws of Hawaii 2015, for the planning, design and construction of a community kitchen facility on the Keakealani campus of VSAS. Plans for the kitchen building are in process and will be completed March 2017. Construction will begin promptly upon completion of site preparation to include grading and grubbing.

\$700,000 per USDA Rural Development Loan Program, for a portion of Keakealani Campus Development Project. FVSAS is approved for a USDA Rural Development Loan but will not access the loan if grant funds are made available.

FVSAS is not seeking any additional federal, state, or county governing funding for FY2018.

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2015.

As of December 31, 2016, the VSAS balance of unrestricted current assets was \$186,180.36.

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2016.

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.

LYNN MELENA, Planning Coordinator (Project Manager)

Lynn Melena was a Federal Contracting Officer for over 30 years with U.S. Department of the Interior. In this position, she directly negotiated contracts and managed contract teams of contract professionals. She was responsible for a variety of services and equipment, including technology contracts, professional services, and architect-engineer services. She also conducted

contract program reviews for Department of Interior offices nationwide on multi-million dollar projects, handled protests, complaints, congressional inquiries, and served as a subject matter expert. Her education includes a Master's degree in Language and Communication and a certificate in Adult Learning from Regis University. She is a doctoral student in Education at Walden University. Also, she serves as a VSAS Governing Board member.

KALIMA CAYIR, VSAS Principal

Kalima Cayir has thirteen years of experience in administration and teaching in the Hawai'i Public Charter School System at both the school and state level. Ms. Cayir has worked closely with charter schools across the state as both Charter Academic Officer and Title I Resource Teacher, and has served on accreditation and other school review teams for both Hawai'i charter and Department of Education schools. Her areas of expertise include continuous school improvement, program implementation and monitoring, bilingual education, positive discipline, and working with high needs and special needs students. She holds a M.Ed. in Educational Administration from the University of Hawai'i at Manoa and a B.S. degree in Psychology from the University of Phoenix.

ROBERT HALL, Capital Development Consultant

Robert J. Hall served in executive management positions for 25 of the 33 years while employed with the State of Hawaii until his retirement in 2011. He last served as the Deputy Director of the Department of Hawaiian Homes Lands, where he worked for over 15 years and is considered an expert on its programs, policies, and fiscal management. Bob guided the NAHASDA 5-year plan and implementation of the NHHBG, had oversight of the Homestead Services Division, which managed admissions and occupancy. He was instrumental in creating the department's Home Ownership Assistance Program for new homebuyers. Bob also served in executive capacities with the Housing and Community Development Corporation and Hawaii Housing Authority, and has nearly 20 years of experience in all facets of housing and development. He maintains close ties with HUD Hawaii, particularly with public housing management, rental assistance and low income tax credit programs.

TAMAR deFRIES, Capital Development Consultant

Tamar deFries received her undergraduate degree from Colorado State University and graduate degree from the University of Hawaii at Manoa. She has over fifteen years of experience in project design, management, and evaluation and assessment for educational programs and projects working at the YMCA, the University of Hawaii at Manoa, and the Pacific American Foundation. Since 2008, she has focused on preparing nonprofits and communities to manage projects and securing capital improvement project financing. Tamar is viewed as a leader in the New Markets Tax Credits arena and has facilitated seven New Markets Tax Credits financing transactions totaling more than \$60MM in Hawaii including Molokai Community Health Center, West Hawaii Community Health Center, Lanai Community Health Center, L2020 Community Center, and Molokai Land Trust.

AMALIE DORN, FVSAS Chair

Amalie Dorn has over 30 years experience in small business management, marketing, and event management. Ms. Dorn has spearheaded several grants to expand healthy food program for The Volcano School of Arts & Sciences and community. Ms. Dorn has been instrumental in developing a number of community partnerships to promote healthy food programs across the state.

DAVID GOODMAN, FVSAS Treasurer

David Goodman has 40 years accounting experience including 20 years working as CPA in Hawai'i. Mr. Goodman has worked in both public and private accounting and has expertise in budgeting, financial and cash flow analysis, project costing and forecasting, systems development, finance, administrative, technical and production group liaison. Mr. Goodman has a B.Sc. in Business Administration from the California State University at Northridge. Mr. Goodman is a long-time resident of the Volcano community and brings valuable theoretical and hands-on experience to FVSAS. Mr. Goodman is the owner of Goodman Tax Service, and serves as treasurer of Volcano Health Collaborative, The Volcano School of Arts & Sciences, and Volcano Cooper Center.

IAN COLE, FVSAS Director

Ian Cole has worked in the natural resources conservation field in Hawai'i for over 20 years. Currently he works as a Resource Manager for the State of Hawaii Department of Land and Natural Resources (DLNR). Mr. Cole has first-hand experience with environmental compliance, grant applications, state procurement, and CIP projects. Mr. Cole also has construction and homebuilding experience from grading to finishing work and finalization. Mr. Cole was born and raised in Hawai'i and has lived in Volcano for over 15 years. Ian received a Bachelor's degree in Wildlife Biology from the University of Idaho.

BOONE MORRISON, Managing Architect

Boone Morrison, AIA, architect, will serve as managing architect for the project. He will provide in-house expertise in the areas of Planning and Design activities in preparation for the construction phase of this long-range project. Mr. Morrison is a 40 year resident of the community and is well experienced in the unique design requirements of the environment with its many challenges. He has been a practicing architect for nearly 40 years and is President of Boone Morrison Architects, Inc, with offices in Volcano Village. In the course of his career, Mr. Morrison has worked on more than 130 individual projects including commercial, historic restoration, and the design/construction of an operating railroad on Kauai with a construction value of more than \$3 million. Mr. Morrison also designed and supervised the construction of the

three-classroom portable building for VSAS located on the original campus. Mr. Morrison's role in this project will be to oversee the activity of the architects and engineers who will be engaged for this project.

B. Facilities

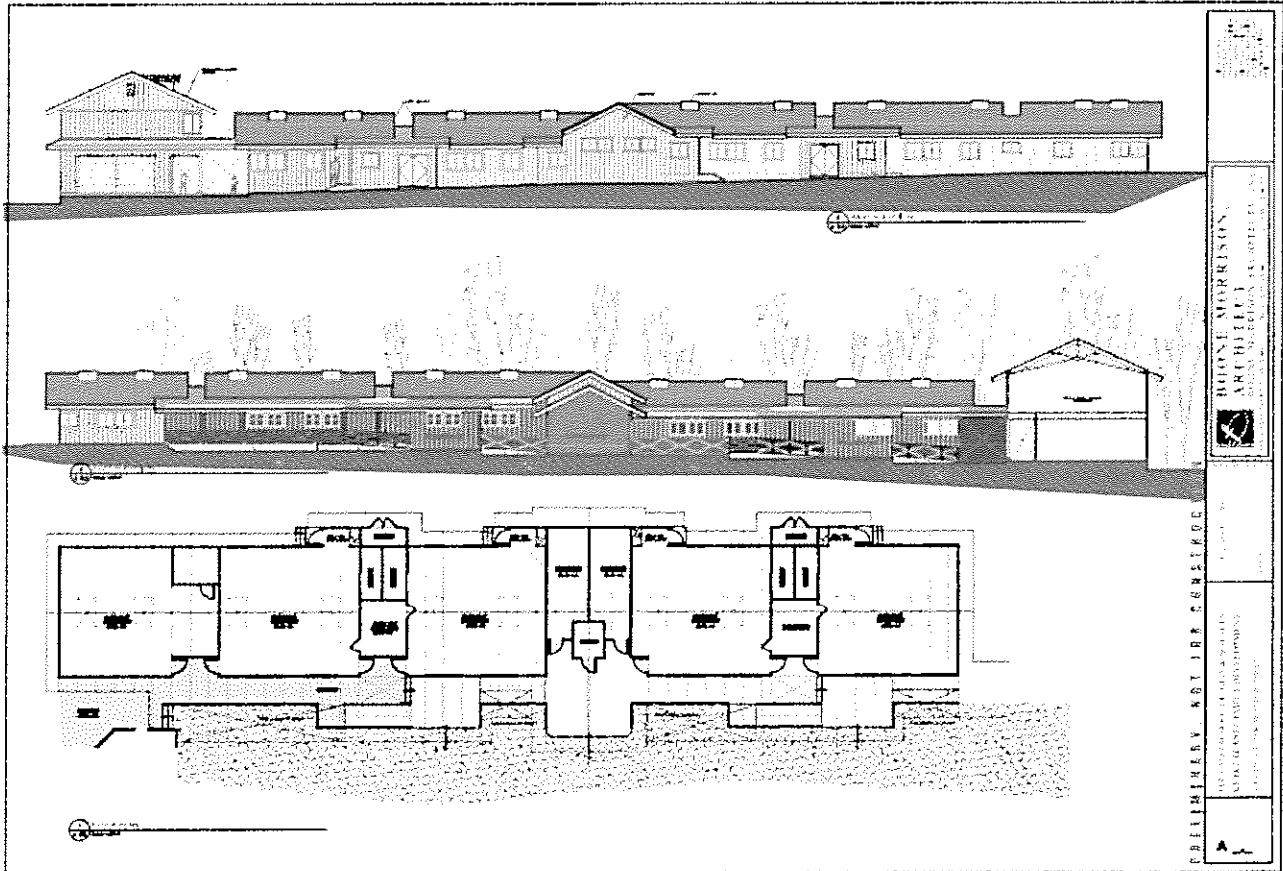
The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

As stated in Section I, VSAS has signed a long-term lease with DLNR for the 3.15-acre site on Haunani Road, which is to be its Keakealani campus. The project will modernize the historic existing school building in a manner that both enhances its historic status as a community landmark and maintains the original intent of the family of the late Peter Lee, who in 1915 donated the property to the Territory of Hawaii for the expressed purpose of building a public school for the greater Volcano community.

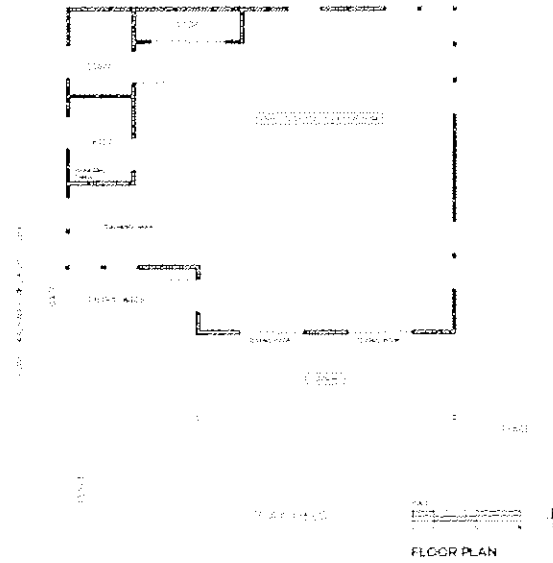
In addition to that existing structure, the new campus when completed will be able to accommodate up to 250 students and will consist of 16 classrooms including arts and culture classrooms, 2 STEAM labs, indoor and outdoor "breakout" spaces for small group learning activities, garden areas, covered walkways, a multi-purpose center large enough for all school assemblies and community events, a commercial kitchen, an administrative building, parking, and a drop-off roundabout.

See schematic drawings for VSAS Keakealani Preschool and K-4 buildings attached on the following pages.

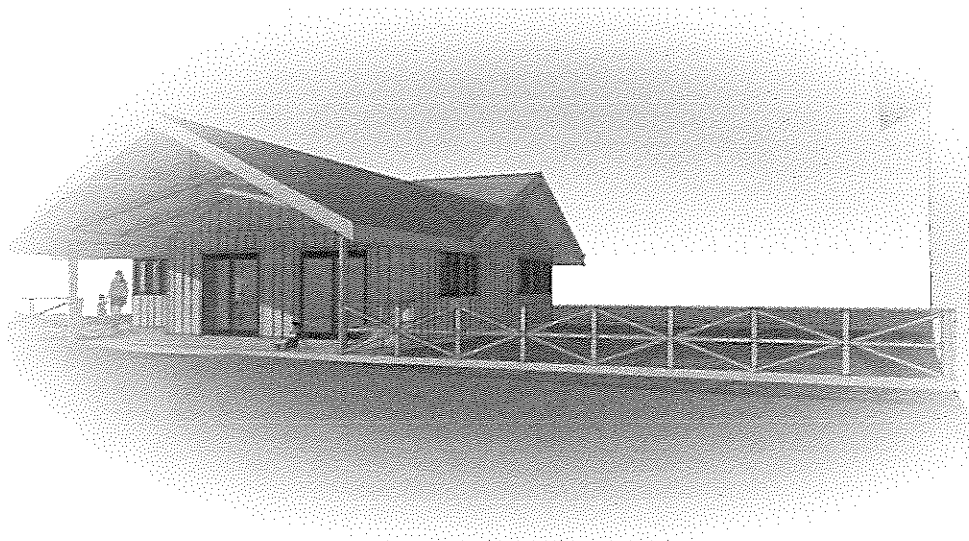
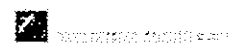
Kindergarten - 4th Grade Classroom Building



Preschool Classroom Building



VSAS BOARDMAN CAMPUS DEVELOPMENT PROJECT
PROPOSED PRESCHOOL FACILITY



VSAS BOARDMAN CAMPUS DEVELOPMENT PROJECT
PROPOSED PRESCHOOL FACILITY



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.

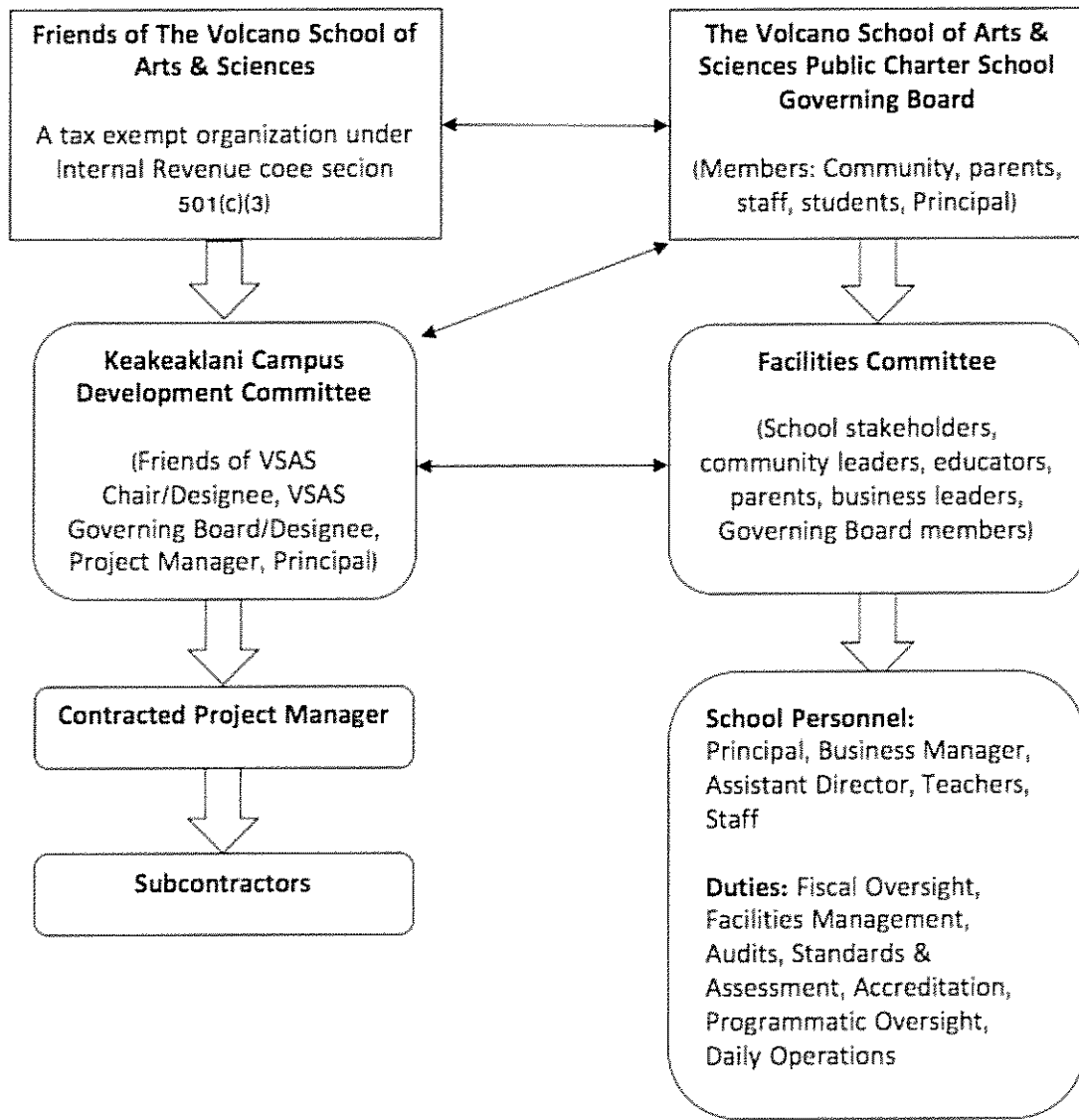
The proposed staffing pattern for the planning, design, and construction of the project includes a licensed architect who is already under contract by the Friends of the Volcano School of Arts & Sciences and a planning coordinator, who is serving as project manager for pre-construction phase. Construction of the project will be executed by licensed contractors and other construction workers working under the direction of the licensed contractors. Procurement of a qualified Project Manager for construction phases will begin in January 2017.

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.

The Friends of the Volcano School of Arts & Sciences is a non-profit board, which is headed by a chairperson and three executive officers.

Applicant FRIENDS OF THE VOLCANO SCHOOL OF ARTS & SCIENCES



LIST OF FVSAS BOARD OF DIRECTORS

- Amalie Dorn, Chair
- Stephany Cecil, Vice-Chair
- David Goodman, Treasurer
- Mara Saltzman, Secretary
- Ian Cole
- Courtney Larson
- Will Holland
- Kalima Cayir, VSAS Principal

OFFICER BIOS

AMALIE DORN, FVSAS Chair

Amalie Dorn has over 30 years experience in small business management, marketing, and event management. Ms. Dorn has spearheaded several grants to expand healthy food program for The Volcano School of Arts & Sciences and community. Ms. Dorn has written, assisted and won several grants to expand the food program for our school and community. Ms. Dorn has been instrumental in developing a number of community partnerships to promote healthy food programs across the state including

STEPHANY CECIL, FVSAS Vice-Chair

Stephany Cecil graduated with honors from UH Hilo with a Linguistics and English degree. She has been a director of a preschool on Maui and has taught English to Elementary and Middle school-aged children in South Korea and Spain. Ms. Cecil is a certified mediator from Ku'ikahi Mediation Center in Hilo and focuses on cultivating peaceful and respectful communication. Her children are VSAS students and her family is proud to call Volcano their home.

DAVID GOODMAN, FVSAS Treasurer

David Goodman has 40 years accounting experience including 20 years working as CPA in Hawai'i. Mr. Goodman has worked in both public and private accounting and has expertise in budgeting, financial and cash flow analysis, project costing and forecasting, systems development, finance, administrative, technical and production group liaison. Mr. Goodman has a B.Sc. in Business Administration from the California State University at Northridge. Mr. Goodman is a long-time resident of the Volcano community and brings valuable theoretical and hands-on experience to FVSAS. Mr. Goodman is the owner of Goodman Tax Service, and serves as treasurer of Volcano Health Collaborative, The Volcano School of Arts & Sciences, and Volcano Cooper Center.

MARA SALTZMAN, FVSAS Secretary

Mara Saltzman has over 15 years teaching experience as an art teacher and as a special educator. Ms. Saltzman has also served on The Volcano School of Arts & Sciences Governing Board and as chairperson of the Waiakeawaena Elementary School Community Council for three years. She brings leadership skills and motivated energy to the Friends of VSAS design and building project.

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.

The Friends of Volcano School of Arts & Sciences is a not-for-profit organization composed entirely of volunteers. There are no paid staff.

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.

There is no litigation pending against either FVSAS or VSAS.

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. 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. The Friends of Volcano School of Arts & Sciences is a 501c(3) not-for-profit organization that supports the Volcano School of Arts & Sciences, a public charter school under the jurisdiction of the Hawai'i Charter School Commission, which is an agency under the Hawai'i Board of Education.

D. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2017-18 the activity funded by the grant if the grant of this application is:

- (1) Received by the applicant for fiscal year 2017-18, but

- (2) Not received by the applicant thereafter.

Completion of the Keakealani Campus will enable the school to increase enrollment to 200 students. Enrollment will increase to 184 Upon completion of these two buildings specifically, and then to 200 upon completion of another classroom building. A maintenance fund of \$30,000 per year (\$5,000 per classroom) will be set aside to sustain the two buildings including repainting, cleaning, and repairs.

FVSAS plans to request a capital improvement grant in the next legislative cycle to cover the remaining budget of \$330,000 to complete construction of the K-4th grade classroom building.

E. 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, 2016.

Please see attached.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2017 to June 30, 2018

Applicant: FRIENDS OF THE VOLCANO SCHOOL OF ARTS & SCIENCES

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	0	0	0	0
2. Payroll Taxes & Assessments	0	0	0	0
3. Fringe Benefits	0	0	0	0
TOTAL PERSONNEL COST	0	0	0	0
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island	0	0	0	0
2. Insurance	0	0	0	0
3. Lease/Rental of Equipment	0	0	0	0
4. Lease/Rental of Space	0	0	0	0
5. Staff Training	0	0	0	0
6. Supplies	0	0	0	0
7. Telecommunication	0	0	0	0
8. Utilities	0	0	0	0
9. CONSULTING	200,000	0	0	0
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	200,000			
C. EQUIPMENT PURCHASES	0			
D. MOTOR VEHICLE PURCHASES	0			
E. CAPITAL	1,500,000	0	0	
TOTAL (A+B+C+D+E)	1,700,000	0	0	0
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	1,700,000	AMALIE DORN	<i>808-985-9800</i>	
(b) Total Federal Funds Requested	0	[REDACTED]	Phone	
(c) Total County Funds Requested	0	[REDACTED]	Jan. 17, 2017	
(d) Total Private/Other Funds Requested	0	[REDACTED]	Date	
TOTAL BUDGET	1,700,000	AMALIE DORN, VSAS CHAIRPERSON Name and Title (Please type or print)		

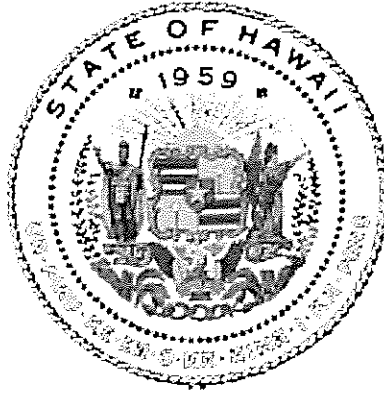
Applicant: FRIENDS OF THE VOLCANO SCHOOL OI

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
NOT APPLICABLE			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
NOT APPLICABLE			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

Applicant: FRIENDS OF THE VOLCANO SCHOOL

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: 2015-2016	FY: 2016-2017	FY:2017-2018	FY:2017-2018	FY:2018-2019	FY: 2019-2020
PLANS	185,000	0	200,000	n/a		0
LAND ACQUISITION	0	0	0	n/a		0
DESIGN	433,000	0	0	n/a		0
CONSTRUCTION	285,000	0	1,500,000	n/a	330,000	0
EQUIPMENT	0	0	0	n/a		0
TOTAL:	903,000	0	1,700,000	n/a	330,000	0
JUSTIFICATION/COMMENTS: 2015-2016 Planning and Design grant in the amount of \$618,000 originally awarded July 12, 2012 (executed May 21, 2014) with extension granted on May 12, 2016 (for \$612,000).						



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

FRIENDS OF THE VOLCANO SCHOOL OF ARTS & SCIENCES

was incorporated under the laws of Hawaii on 03/01/2000 ; 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 15, 2017

Director of Commerce and Consumer Affairs

