

House District 29

Senate District 14

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

Log No:

For Legislature's Use Only

Type of Grant or Subsidy Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

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

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

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:  
The Congregation of Christian Brothers of Hawaii, Inc.

Dba: Damien Memorial School

Street Address: 1401 Houghtailing St., Honolulu, HI. 96817

Mailing Address: SAME

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name BERNARD HO

Title PRESIDENT & CEO

Phone # 808 841-0195

Fax # 808 847-1401

e-mail bho@damien.edu

3. TYPE OF BUSINESS ENTITY:

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

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

DAMIEN MEMORIAL SCHOOL  
E HO'OPA'A A CAMPAIGN FOR EXCELLENCE  
CAMPUS RENOVATION PROJECT

4. FEDERAL TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2014: \$ 1,000,000

5. STATE TAX ID #: [REDACTED]

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 \$ 0  
FEDERAL \$ 0  
COUNTY \$ 0  
PRIVATE/OTHER \$ 5,832,737

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

BERNARD A. K. S. HO PRESIDENT  
NAME & TITLE

1/31/2013  
DATE SIGNED

## Application for Grants and Subsidies

*If any item is not applicable to the request, the applicant should enter "not applicable".*

### I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Include the following:

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

Founded in 1962, Damien Memorial School is a private school for boys and girls grades 6-12 (note that the current 2012-13 school year is the first year in which girls were accepted to Damien, with great success, resulting in a net increase in enrollment of approximately 100 students). The school is fully accredited by the Western Association of Schools and Colleges, The Western Catholic Educational Association, and the Hawaii Association of Independent Schools.

*Mission Statement: Damien Memorial School guides young men and women from all walks of life to become responsible, respectful and community-minded citizens who are prepared to excel in higher education and are ready for the challenges in their future. As a community of faith missioned by the Roman Catholic Church, we espouse the message of the Gospel of Jesus Christ as exemplified in the Essential Elements of an Edmund Rice Christian Brother Education and through the selfless service of Saint Damien of Moloka'i.*

Enrollment for the current school year is 474 students. There are 55 faculty and staff with a 10:1 ratio of teachers to students. Students come from all parts of Oahu with approximately 43 percent from communities in West Oahu and 34 percent from Honolulu; another 16 percent are from Windward Oahu. Damien has consistently provided a quality college preparatory education that has resulted in over 90 percent of graduates continuing their education at two or four year colleges.

Students also represent a wide ethnic diversity. During the 2011-12 school year, students self-identified as: Filipino (39%), Hawaiian (15%), Japanese (11%), Caucasian (13%), Chinese (6%), Portuguese (4%), Hispanic (4%), Samoan (4%); Indo-Chinese, African American, Korean and Tongan comprise the remaining ethnicities.

Damien has an ongoing commitment to provide financial assistance to students with financial need. The majority of these students come from families – many are single parent families – with low to moderate incomes, approximately \$23,510 to \$50,054. This school year over \$1,000,000 was awarded to students: 20 percent received academic scholarships that totaled \$378,775, more than 50 percent received tuition assistance totaling \$426,271, and the remaining amount was awarded in discounts for multiple siblings, active duty military families, and alumni dependents.

2. The goals and objectives related to the request;

Damien Memorial School's 2009 five-year strategic plan called for the school to develop and implement a master plan. Specifically Strategic Goal 1 stated that: *"Damien Memorial School will develop and implement a master plan for building and grounds utilization and maintenance that will encompass upgrades or new classroom(s), offices, athletic facilities and conference rooms."*

The master plan that was developed as a result of the strategic plan and is now being implemented calls for campus improvements that include construction of a multi-purpose athletic complex, a new music building, a new student services building, relocation of the track and practice field and expansion of the parking lot. Demolition and construction will be completed in three phases in order for classroom instruction to continue uninterrupted. The project budget is \$12 million.

The overall outcome that Damien seeks to achieve is an improved learning environment for its current and new students.

The objectives of the project are:

- To better meet student needs in order to improve their educational, cultural, and physical development
- To improve students' overall academic achievement
- To attract and retain students
- To strengthen the financial viability and competitiveness of the school for learning in the 21<sup>st</sup> century.

The Capital Campaign, E Ho'opa'a – Securing Our Future, will implement facilities master plan designed to improve and expand the campus for optimal efficiency and position the school to build enrollment. The goal of the capital campaign is to raise \$12 million which includes \$9,600,000 for design, demolition and construction and \$2,400,000 for financing, furniture and fixtures, and capital campaign cost. The capital campaign was launched in 2011.

The Clarence T. C. Ching Foundation has awarded Damien Memorial School with a \$5 million challenge grant for the construction of the project with a requirement that payments and pledges of \$7 million must be received by December 2013. Disbursement of the grant begins in 2015 and ends in 2024. This commitment as the lead gift, coupled with the upcoming 50th anniversary of the school's founding in 1962, provides an ideal opportunity to energize Damien's stakeholder base in support of this project.

Damien's Capital Campaign Committee under the chairmanship of attorney Bruce Graham, and alumnus from the first graduating class of 1966, launched a multi-year capital campaign in late 2011. The campaign is targeting the support of Damien's 5,500 alumni, 4,000 donors, current and former parents, current and former faculty and staff and other stakeholders. Foundations, corporations and the community will be solicited for donations and in-kind services and products.

The project has 100% financial participation of Damien's Board of Directors and Capital Campaign Committee

**The capital campaign will allow Damien to upgrade its facilities to provide an enhanced learning environment and help to increase enrollment to full capacity.**

3. The public purpose and need to be served;

The cornerstone of Damien's mission is to provide students with an accessible, quality college preparatory education and a foundation in Christian values. The cost of tuition should not be a barrier to receiving a quality education. While tuition at Damien does not cover the entire cost of educating the student, in keeping with the priorities of the Christian Brothers, the majority of any funds raised through donations and activities have traditionally gone to provide tuition assistance for students who could otherwise not afford private school education and student academic programs. As a result, major maintenance of the physical plant has been deferred for many years.

4. Describe the target population to be served; and

Damien Memorial School is located in the Kalihi-Palama community to best serve this diverse community and the needs of its children with a potential to succeed academically and continue on to college.

Approximately 80 percent of Damien students participate in some type of sports activity. Besides the existing gymnasium, where basketball and volleyball are played, there is no multi-purpose athletic facility. During wrestling and judo seasons, students train in the cafeteria, where they must collapse and rotate dining tables with practice mats on a daily basis. While the practice field and surrounding track have served their purpose, their positioning on the campus is not optimal for land usage and new construction.

The existing band room is situated alongside the practice field and track in a Quonset-like building, which is old and cramped. Added to the campus in 1973 as a “temporary” building, it is beyond cost-effective repair, making its replacement a necessity and not an option.

The existing library and two classrooms are also situated alongside the track in “temporary” buildings that have been in use for nearly 40 years. The structures are deteriorating and beyond cost-effective repair. The spaces are cramped and not up to date technologically. Damien’s commitment to providing education to the underserved and the resulting socio-economic makeup of its student body make requiring personal laptop computers for each student (at an additional fee) prohibitive for many families. Therefore, there is a real need for centralized computer technology on campus, accessible to every student.

And finally, the campus will be able to utilize the use of an adjacent parcel of land that has remained undeveloped and unused. A comprehensive administration (Student Services) building is needed to bring all school administrators and personnel in core business functions – currently with offices scattered throughout the campus – together in a central location for more efficient operations and service to parents and students. Also needed are conference rooms to provide privacy and ample space for meetings, as well as increased parking for staff, students and visitors.

For over 50 years, Damien has been an integral part of the Kalihi community. With the expanded athletic facilities and meeting spaces in the new student services building, Damien envisions opening its campus to community groups (e.g., Lion’s Club or Kapalama School’s Community Council) for meetings and small events.

5. Describe the geographic coverage.

Students come from all parts of Oahu with approximately 43 percent from communities in West Oahu and 34 percent from Honolulu; another 16 percent are from Windward Oahu.

## 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;

The major components of the master plan include:

1. New construction of a two-story 5,900 s.f. Multi-purpose Athletic Complex to accommodate physical education classes, sports programs, equipment and storage. Classes, basketball and volleyball are currently held in the gymnasium but there is no multi-purpose facility to accommodate other sports such as wrestling and judo, which have had to hold practices in the cafeteria. A new and modern weight room for athletes in competitive sports will be housed in the new building and will have greater accessibility for use. The existing weight room in the gym will be used for PE conditioning. The new athletic building will be located on the far side of the campus next to the practice field, track and batting cages.
2. New construction of a 3,300 s.f. Music Building with upgraded music rehearsal hall and practice rooms with improved acoustics and additional storage areas for instruments and equipment will replace the deteriorating "temporary" band room building.
3. New construction of a 5,900 s.f. Student Services Center on the undeveloped property adjacent to the existing parking lot will house a library with state-of-the-art technology and additional classroom space, a research room, health room, administrative offices and conference meeting spaces. The library will provide a dedicated area for students to read and study as well as space to meet in small groups to work on projects collaboratively. Additional computers will be located in the library for student use along with office space for the school librarian.

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

Capital Campaign:

Data will be collected and compared against the campaign's fundraising plan to ensure that adequate funding is being secured in a timely manner. Donor information collected from the campaign will be utilized to augment the annual fundraising campaign to develop and expand donor involvement in Damien. As a result, the annual campaign will increase the amount of general, unrestricted funds, which will, along with tuition and fundraising activities and events, support regular maintenance of the campus and facilities, professional development of faculty and curriculum, continuing financial aid and scholarships to students, and a strategic marketing and recruitment plan.

Construction:

Construction will be completed in three phases, beginning in the fall of 2013, over a five-year timeline. This plan will allow classroom instruction to continue uninterrupted throughout construction.

Once construction commences, Damien's Building and Grounds Committee, a board committee that oversees this project and the administrative staff will meet regularly with architect, construction manager and construction contractor to monitor the progress of the pre-construction and construction activities. Construction deadlines and benchmarks have been identified. Staff will monitor the progress to ensure that costs remain within budget and that construction is completed as designed. Results will be forwarded to a team consisting of administration and board members who will monitor and review the construction progress reports.

Damien administration and staff will meet regularly to ensure timely opening of each phase of the project facilities. Meeting identified deadlines will help to make certain that students will be able to transition to newly completed facilities with little or no negative effect on class time and school activities.

The school administration has already begun to develop measurements of success once the construction project is completed. Increased student usage and participation in all activities that will be affected by the redevelopment of the campus will be the indicator of success. Specifically these include: increase in the number of students who participate in "mat sports" such as wrestling and judo; planned addition of and participation in curricular and co-curricular courses such as choral music, dance and dramatic arts in the new music building; increase in the number of students who will have access to technology (otherwise not available due to their families' socio-economic situation) through the computer center in the new library. All of these activities will be closely

monitored by the school administration to ensure that student participation metrics are achieved.

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.
  - Review and approval of all design and construction plans by the Building and Grounds Committee and the Board of Directors
  - Review and approval of all design and construction plans by the City Department of planning and permitting
  - Comprehensive inspection by the City Building Department upon completion of the project

In addition, the successful completion of the project, the advertisement of the Notice of Completion and the award of a Certificate of Occupancy for all buildings are the measures that determine the success of the campus redevelopment project.

### III. Financial

#### Budget

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

See Attached

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2014.

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



3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2014.

Funding Source	Amount
Private Foundations	\$1,825,200
Corporations	\$463,000
Individuals	\$2,879,063

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

Not Applicable

#### **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.

Damien’s Building and Grounds Committee is a board committee charged with oversight of the campus redevelopment project. It is chaired by Edmund Aczon, a board member who is a former general contractor and Oahu liaison for the late Senator Daniel Inouye and currently is the training officer for the Hawaii Carpenters Union. The committee is charged with the oversight of the proposed campus redevelopment project.

Damien’s Board of Directors is composed of prominent professionals from the community who have experience with capital improvement projects, commercial real estate development, construction, finance, legal matters and capital campaigns of this scale.

Recent capital projects include 2007 renovation of the locker rooms and in 2012 the renovation of bathrooms to accommodate female students and the installation of a new transformer and conduit that doubled the capacity of electric power to the school and increased computer bandwidth. All projects were completed on time and within budget.

**B. Facilities**

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities. The applicant shall also describe how the facilities meet ADA requirements, as applicable.

Damien Memorial School is located in Kalihi-Palama at 1401 Houghtailing Street, between North School Street and Vineyard Boulevard and near Kamehameha Shopping Center and Bishop Museum. The school buildings are situated on 7-3/4 acres of fee simple level land owned by the School. In the late 1990s, a 3/4 acre parcel of land adjacent to the school was purchased for future expansion which brings the school's total land area to 8 acres.

Damien's parking lot is located in front of the school buildings upon entry through the driveway. Classrooms and offices are located in two rectangular buildings facing parallel to each other and the school cafeteria and gymnasium are perpendicular to both buildings on the makai side of the property. The athletic field and track, band room and library are located in back of the classroom buildings. On the mauka side of the school grounds is the Christian Brothers' residence and adjoining private chapel, hydroponic and aquaculture tank, basketball court and maintenance repair shop.

**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.

Bernard Ho is the President and CEO of Damien and as a former HMSA executive vice president, has extensive professional experience in complex project management, contract negotiations, and financial and business matters. Damien's CFO is a CPA and oversees the business office functions of the school and provides financial analysis and expertise.

Damien's Board of Directors is composed of prominent professionals from the community who have experience with capital improvement projects,

commercial real estate development, construction, finance, education and capital campaigns of this scale.

Once the project is completed, Damien's principal along with its president will provide the business management and supervision of faculty. Two of the buildings are replacing existing old buildings and the third – the Student Services Center – will house the new library and consolidate administrative offices. As such, only minimal additional staffing will be required.

**B. Organization Chart**

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organizational chart that illustrates the placement of this request.

See Attached

**VI. Other**

**A. Litigation**

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgment. If applicable, please explain.

Three lawsuits are pending against Damien and the Roman Catholic Church in Hawaii for which Damien has denied all allegations and is represented by counsel for the Diocese. No judgments have been entered.

**B. Licensure or Accreditation**

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

Damien is fully accredited by the Western Association of Schools and Colleges, The Western Catholic Educational Association, and the Hawaii Association of Independent Schools.

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

Applicant: Damien Memorial School

<b>BUDGET CATEGORIES</b>	<b>Total State Funds Requested (a)</b>	<b>Private Foundations (b)</b>	<b>Corporations (c)</b>	<b>Individuals (d)</b>
<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>	<b>1,000,000</b>	<b>1,825,200</b>	<b>463,000</b>	<b>2,879,063</b>
<b>TOTAL (A+B+C+D+E)</b>	<b>1,000,000</b>			
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	1,000,000	Bernard A. K. S. Ho (808) 841-0195		
(b) Private Foundations	1,825,200	Signature of Authorized Official _____ Date _____		
(c) Corporations	463,000			
(d) Individuals	2,879,063	Bernard A. K. S. Ho, President and CEO		
<b>TOTAL BUDGET</b>	<b>6,167,263</b>	Name and Title (Please type or print)		

## BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant:     Damien Memorial School    

Period: July 1, 2013 to June 30, 2014

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2011-2012	FY: 2012-2013	FY:2013-2014	FY:2013-2014	FY:2014-2015	FY:2015-2016
PLANS		50000		100000		
LAND ACQUISITION						
DESIGN		300000		600000		
CONSTRUCTION	5000000	500000	1000000	4450000		
EQUIPMENT						
<b>TOTAL:</b>	5,000,000	850,000	1,000,000	5,150,000		
<b>JUSTIFICATION/COMMENTS:</b>						

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

The undersigned authorized representative of the applicant certifies the following:

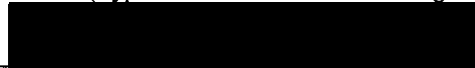
- 1) The applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to Section 42F-103, Hawai'i Revised Statutes:
  - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
  - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
  - c) Agrees not to use state funds for entertainment or lobbying activities; and
  - d) Allows the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.
- 2) The applicant meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
  - a) Is incorporated under the laws of the State; and
  - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
  - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
  - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawai'i Revised Statutes, for grants or subsidies used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

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

Damien Memorial School

(Typed Name of Individual or Organization)



(Signature)

1/31/2013

(Date)

Bernard A. K. S. Ho

(Typed Name)

President and CEO

(Title)

# Damien Memorial School Organizational Chart

