

May 29, 2020

MEMO TO: EDB-87 File

F R O M: Keani Rawlins-Fernandez, Chair *Keani Rawlins-Fernandez*  
Economic Development and Budget Committee

SUBJECT: **TRANSMITTAL OF LEGISLATIVE PROPOSAL RELATING TO THE  
MAUI COUNTY GRANTS PROGRAM** (EDB-87)

The attached legislative proposal pertains to Item 87 on the Committee's agenda.

paf:lma:20-144d

Attachment

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2020)

A BILL FOR AN ORDINANCE AMENDING TITLE 3, MAUI COUNTY CODE,  
RELATING TO THE MAUI COUNTY GRANTS PROGRAM

SECTION 1. The purpose of this ordinance is to minimize barriers for small organizations with limited resources and to maximize the efficient use of County funds for recipients of small grants. Many current and potential recipients of small grants are community- and volunteer-based organizations with limited resources.

SECTION 2. Section 3.36.010, Maui County Code, is amended to read as follows:

**“3.36.010 Definitions.** As used in this chapter, unless the context otherwise requires:

"Agency" means any department, agency, or other establishment of the County government, but shall not include the council.

"Grant" means an appropriation, allocation, or disbursement of County funds or County real property to a recipient for a public purpose.

"Loan" means a loan of funds to a recipient for a specified purpose, conditioned upon repayment of the loan of funds, including the County's ability to post a lien on the recipient's assets.

"Nepotism" means appointing persons to positions on a basis of their blood or marital relationship to the appointing authority, rather than on merit or ability.

"Recipient" means a qualified applicant under Section 3.36.040 which receives a grant from the County.

"Small-grant" means an appropriation, allocation, or disbursement of County funds of \$20,000 or less to a recipient for a public purpose."

SECTION 3. Section 3.36.020, Maui County Code, is amended to read as follows:

**“3.36.020 Review.** [A.]An agency accepting applications for a grant or loan shall adopt rules pursuant to chapter 91, Hawaii Revised Statutes, relating to the following:

- [1.]A. Conditions for grants[;].
- [2.]B. Procedures and a timetable for the submission of [requests;] applications.
- [3.]C. The analysis required of requests[;].
- [4.]D. Procedures and standards for monitoring and evaluating grants.”

SECTION 4. Section 3.36.050, Maui County Code, is amended to read as follows:

**“3.36.050 Conditions for grants or loans.** An applicant for a grant or loan shall agree to comply with the following conditions before receiving benefits under such grant:

A. Allow the agency, the mayor, or the committees of the council and [its] their staff, and the independent auditor of the County full access to records, reports, files, and other related documents in order that the program, management, and fiscal practices of the recipients may be monitored and evaluated to assure the proper and effective expenditure of public funds as necessary; and

B. Comply with such other requirements as the agency or the council may prescribe to ensure adherence by the recipient with federal, state, and County laws.”

SECTION 5. Section 3.36.070, Maui County Code, is amended to read as follows:

**“3.36.070 Applications.** A. An applicant for County funds shall complete an application which shall be reviewed and verified by agency personnel. Each application shall include, but not be limited to:

- [A.]1. The public purposes to be served[;].
- [B.]2. The objectives intended to be achieved[;].
- [C.]3. The activities and services to be performed[;].
- [D.]4. The reasonableness of personnel classification and compensation plans, if the application includes funding for personnel service costs[;].

[E.]5. The probable efficiency and effectiveness of the proposed grant in achieving the intended objectives, compared with other alternatives[;].

[F.]6. The target group to be affected[;].

[G.]7. Measures by which the effectiveness of the grant or loan is to be evaluated[;].

[H.]8. The analysis and justification for the recommended grant or loan.

B. Provided that applicants for small grants are not required to comply with D, E, and F of this section.”

SECTION 6. Section 3.36.110, Maui County Code, is amended to read as follows:

**“3.36.110 Reports by recipients.** A. Recipients of a grant or loan.

1. All recipients of a grant or loan shall keep detailed, separate financial records relating to funds received from the County. Audits of such financial records shall be performed as required in the rules and regulations adopted by the County, provided, however, that any nonprofit organization with an annual budget of [~~\$25,000~~] \$50,000 or less may have their records audited by the department of finance.

2. Within [~~three weeks~~] thirty days after the end of each quarter of the fiscal year, each recipient of a grant or loan shall transmit to the agency a report containing the following information for the quarter and for the fiscal year to date:

- a. Program status summary[;].
- b. Program data summary[;].
- c. Summary of participant characteristics[;].
- d. Financial status report of the County funds

used[; and].

e. Narrative report.

3. Provided that recipients of small grants are not required to comply with sections b, c, and e of this section.

[3.]4. Reports by each recipient of a grant or loan shall continue through the fiscal quarter in which the moneys to be received from the County are completely expended or, in the case of a loan, until all funds have been repaid.

B. Recipients of a grant of real property.

1. Within three weeks after the end of the fiscal year, each recipient of a grant of real property shall transmit to the agency a report containing the following information for the quarter and for the fiscal year to date:

- a. Program status summary[;] .
- b. Program data summary[;] .
- c. Summary of participant characteristics[;] .
- d. Changes in real property tax assessment for the real property[;] .
- e. Earnings from the grant of real property[; and] .
- f. Narrative report.”

SECTION 7. Section 3.36.130, Maui County Code, is amended to read as follows:

**“3.36.130 - Noncompliance.** Any recipient who withholds or omits any material facts, or deliberately misrepresents such facts to the council, the mayor, or any agency, shall be in violation of this chapter. If the agency finds that a recipient has violated this chapter or the terms of its contract, the agency shall inform the mayor who shall inform the council in writing [and, upon council concurrence, the recipient shall be prohibited] the council may then by resolution, prohibit the recipient from applying for any grant for five years following such finding, return all funds or real property granted to the recipient, and be subject to debarment proceedings.”

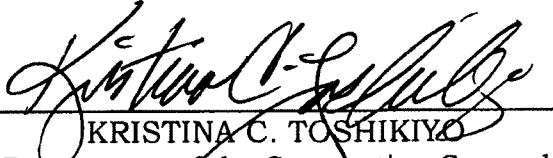
SECTION 8. Chapter 3.36, Maui County Code, is amended by adding a new section to be appropriately designated and to read as follows:

**“3.36.190 Disbursement.** Recipients of small grants are eligible for upfront disbursement of up to 100 percent of grant funds, and any remaining grant funds must be paid through the agency’s reimbursement process.”

SECTION 9. Material to be repealed is bracketed. New material is underscored. In printing this bill, the County Clerk need not include the brackets, the bracketed material, or the underscoring.

SECTION 10. This ordinance takes effect on July 1, 2020.

APPROVED AS TO FORM AND  
LEGALITY:

A handwritten signature in black ink, appearing to read "Kristina C. Toshikiyo", written over a horizontal line.

KRISTINA C. TOSHIKIYO  
Department of the Corporation Counsel  
County of Maui  
2020-0722  
PAF 20-144 2020-05-28 Ord Amd 3.36 Small Grants