

COUNCIL OF THE COUNTY OF MAUI

# BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE

March 22, 2024

**Committee  
Report No.** \_\_\_\_\_

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget, Finance, and Economic Development Committee, having met on March 5, 2024, makes reference to Bill 33 (2024), entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2024 BUDGET FOR THE COUNTY OF MAUI, DEPARTMENT OF AGRICULTURE, AGRICULTURE PROGRAM, AND GRANTS AND DISBURSEMENTS FOR AGRICULTURAL PROMOTION.”

Bill 33’s purpose is to amend the Fiscal Year (“FY”) 2024 Budget by amending Section 3.B.1., Department of Agriculture, by: 1) deleting “the” from the Department title; 2) reducing the appropriation for Agriculture Program, Category B (Operations and Equipment) by \$28,239; 3) reducing the appropriation for Grants and disbursements for Agricultural Promotion, Feral Animal Recovery by \$781,500; 4) reducing the appropriation for Grants and disbursements for Agricultural Promotion, Agriculture Education and Apprenticeship by \$51,600; 5) increasing the appropriation for Grants and disbursements for Agricultural Promotion, Agriculture Promotion/Technology by \$861,339; 6) reducing the conditional amount under Grants and disbursements for Agricultural Promotion, Agriculture Promotion/Technology for “infrastructure improvements on established agricultural operations” by \$45,000; and 7) adjusting the totals accordingly.

By correspondence dated February 8, 2024, the Budget Director explained that the Department of Agriculture’s Agriculture Promotion/Technology grant category received the largest number of grant applications. As a result, the Department’s other grant categories that did not receive a sufficient number of applications contain unencumbered

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funds that are available for transfer to the Agriculture Promotion/Technology grant category.

The Interim Budget Director explained that Agriculture Promotion/Technology grants assist farmers with advertising and assist individuals with starting agricultural businesses and activities.

The Director of Agriculture confirmed the Department is currently reviewing grant applications received for the Agriculture Promotion/Technology grant category. The Deputy Director anticipates the Department will be able to expend the appropriation by the end of FY 2024.

Your Committee voted 7-0 to recommend passage of Bill 33 (2024) on first reading. Committee Chair Sugimura, Vice-Chair Kama, and members Johnson, Lee, Paltin, Sinenci, and U‘u-Hodgins voted “aye.” Committee members Cook and Rawlins-Fernandez were excused.

Your Budget, Finance, and Economic Development Committee RECOMMENDS that Bill 33 (2024), attached hereto, entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2024 BUDGET FOR THE COUNTY OF MAUI, DEPARTMENT OF AGRICULTURE, AGRICULTURE PROGRAM, AND GRANTS AND DISBURSEMENTS FOR AGRICULTURAL PROMOTION,” be PASSED ON FIRST READING and be ORDERED TO PRINT.

This report is submitted in accordance with Rule 8 of the Rules of the Council.

  
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YUKI LEI K. SUGIMURA, Chair

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

BILL NO. 33 (2024)

A BILL FOR AN ORDINANCE AMENDING  
THE FISCAL YEAR 2024 BUDGET FOR THE COUNTY OF MAUI,  
DEPARTMENT OF AGRICULTURE, AGRICULTURE PROGRAM, AND  
GRANTS AND DISBURSEMENTS FOR  
AGRICULTURAL PROMOTION

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 5528, Bill No. 22, CD1, FD2 (2023), as amended, "Fiscal Year 2024 Budget", Section 3.B.1, Department of Agriculture, is amended to 1) delete "the" from the Department title; 2) reduce the appropriation for Agriculture Program, Category B – Operations and Equipment by \$28,239; 3) reduce the appropriation for Grants and disbursements for Agricultural Promotion, Feral Animal Recovery by \$781,500; 4) reduce the appropriation for Grants and disbursements for Agricultural Promotion, Agricultural Education and Apprenticeship by \$51,600; 5) increase the appropriation for Grants and disbursements for Agricultural Promotion, Agricultural Promotion/Technology by \$861,339, and 6) reduce the amount of the condition under Grants and disbursements for Agricultural Promotion, Agricultural Promotion/Technology for infrastructure improvements by \$45,000, to read as follows:

<u>"FUNCTION AND PROGRAMS</u>	<u>A – Salaries</u>	<u>B – Operations &amp; Equipment</u>	<u>Total</u>
1. Department of [the] Agriculture			
a. Agriculture Program	671,236	[1,265,845]	[1,937,081]
(1) Disbursement for salaries and premium pay is limited to 12.0 equivalent personnel.		<u>1,237,606</u>	<u>1,908,842</u>
(2) Grants and disbursements for Agricultural Promotion			
i. Kula Agriculture Park	0	450,000	450,000
ii. Feral Animal Recovery	0	[1,000,000] <u>218,500</u>	[1,000,000] <u>218,500</u>
iii. Maui School Garden Network	0	100,000	100,000
iv. Maui Economic Opportunity, Inc. ("MEO") Agricultural Micro Grants Program	0	3,000,000	3,000,000
(a) MEO will receive a \$3,000,000 grant from the County to manage and distribute micro grant payments up to \$25,000 per grantee. At the close of the grant period, MEO will			

transmit a list of grantees to the council, which will include recipient name, district, grant-funded projects, and whether the recipient satisfies kuleana land ownership, native Hawaiian, or female demographics. Upon application approval, MEO will not limit the number of grantee vendors. MEO will pay equipment vendors in full at the time the order is placed. MEO will pay service vendors 50 percent of the total cost of the service at the time the contract for services is executed and will pay the balance upon completion of the service. The micro grants must be dispersed with efforts to ensure equitable distribution among applicants in Maui, Molokai, and Lāna'i, with preference given to socially disadvantaged farming applicants, such as women and native Hawaiians, and to farmers who did not receive funding in prior fiscal years from the micro grant funding. An application deadline will be set and grants not dispersed until MEO ensures these preferential guidelines will be met. The micro grants will be exclusively to food-producing farm businesses that operate on less than an aggregate of 12 acres, or up to an aggregate of 40 usable acres for livestock producers within Maui County and possess a County business or State general excise license for the farming or ranching business as of July 1, 2023. Low revenue from sales will not disqualify applicants. Farm business owners and any partners

must be Maui County residents for a minimum of one year prior to the date of the applicant's grant request. Applicants will not be disqualified based upon receipt of COVID-related grant funding from supplementary sources.

v. Agriculture Education and Apprenticeship	0	<del>[375,000]</del> <u>323,400</u>	<del>[375,000]</del> <u>323,400</u>
vi. University of Hawai'i Tropical Agriculture/Human Resources	0	150,000	150,000
vii. Agriculture Promotion/Technology	0	<del>[2,000,000]</del>	<del>[2,000,000]</del>
(a) Up to \$375,000 must be for Hawai'i Farmers Union United for the Farmer Apprentice Mentoring Program and the HFUU Chapter Outreach and Local Food Hub Support Program.		<u>2,861,339</u>	<u>2,861,339</u>
(b) Up to \$75,000 must be for a feasibility study for an agricultural co-operative for materials, equipment, and supplies.			
(c) Up to <del>[\$750,000]</del> <u>\$705,000</u> must be for infrastructure improvements on established agricultural operations, including water filtration systems, fencing and netting to protect crops, processing food, and certified kitchens.			
viii. Molokai Livestock Cooperative	0	10,000	10,000
ix. Maui Nui Botanical Gardens, Inc.	0	150,000	150,000"

SECTION 2. Material to be repealed is bracketed. New material is underscored.

SECTION 3. This Ordinance takes effect upon approval.

APPROVED AS TO FORM AND LEGALITY:



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KRISTINA C. TOSHIKIYO  
Deputy Corporation Counsel

INTRODUCED BY:

A handwritten signature in cursive script, appearing to read "James R. Lee". The signature is written in black ink and is positioned above a horizontal line.

Upon the request of the Mayor.