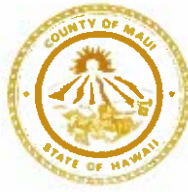


RICHARD T. BISSEN, JR.
Mayor

JOSIAH NISHITA
Managing Director

CYNTHIA LALLO
Chief of Staff



OFFICE OF THE MAYOR
COUNTY OF MAUI
200 SOUTH HIGH STREET
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November 12, 2025

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, HI 96793

APPROVED FOR TRANSMITTAL

A handwritten signature in black ink, appearing to read "Richard T. Bissen, Jr.", written over a horizontal line. Below the line, the word "Mayor" is printed in green. To the right of the signature, the date "11-12-25" is handwritten in black, and the word "Date" is printed in green below it.

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair & BFED Committee
200 South High Street
Wailuku, HI 96793

Dear Chair Sugimura & BFED Committee;

SUBJECT: ADMINISTRATION AND MANAGEMENT OF THE OFFICE OF ECONOMIC DEVELOPMENT GRANTS (BFED-20(12))

Please find responses that were requested regarding the above subject matter below:

1. Please explain how the report is used to manage active grants and inform future award decisions.

We use quarterly and final reports to keep track of how each grant is going. The reports help us see if projects are running smoothly or if there are any problems that need attention. Sometimes, we'll also visit the project in person to check on progress.

When people apply for new grants, we always look back at how well they've done before. If someone has done a great job with their past reporting and followed all the rules, they have a much better chance of getting funded next time. The reports help us keep projects on track now and make smarter decisions about who to fund in the future.

That said, it can get complicated. We have a scoring system, and the threshold for passing is 70 or above. But sometimes, even if an applicant has a low score, we still have to fund them because of certain line items or district appropriations. This means we end up having to guide them closely through every step, especially when they think that once they're approved by council and see the funding in the budget, they no longer need to follow OED processes or the 3.36 rules.

It's especially challenging with new programs. Many groups don't understand that we run a reimbursement program, they need initial capital to start, but we can't pay out until after costs are incurred and documented. Some grantees are genuinely trying, but the process can feel overwhelming, especially if they don't realize they must remain compliant even after getting approved funds. In the

end, our role is not just to distribute money but to make sure everyone understands the rules and to protect taxpayer dollars by ensuring all grantees follow the proper steps.

2. Please identify who reviews the report and how often.

Each report is reviewed by the grant specialist assigned to the organization's file. The grant specialist checks the reports according to the reporting schedule, which is usually quarterly during the project and once at the end for the final report.

- a. Describe the thresholds that trigger corrective actions, withholding, or closeout.

Initial Outreach and Support:

When an issue arises, for example, missed deadlines, spending funds on unapproved items, or not following the project plan, we reach out to the grantee to explain what needs fixing. We set a clear deadline for them to correct the issue and offer support if they need help. Depending on how serious the situation is, we may also involve corporate counsel or the chief of staff for approval before moving forward.

Withholding or Disallowing Funds:

If the grantee does not fix the problem by the deadline, or if the issue is serious or repeated, we may withhold future grant payments or disallow certain expenses.

Suspension or Termination:

For ongoing, unresolved, or major violations (such as fraud, abandoning the project, or bankruptcy), we may suspend or terminate the grant, sometimes immediately, according to our contract terms.

- b. Explain how scores or statuses influence renewal, denial, or debarment decisions.

Scores and statuses are assigned by the grants committee based on our evaluation process and funding priorities. While a high score usually supports renewal, funding decisions are also shaped by the county's budget ordinance, organizations listed as line items or district provisos in the budget often move forward, sometimes with direct input from council members, regardless of score. Applications may be denied if they don't score well, don't fit our priorities, or lack the necessary experience, especially with competitive grant funds. Debarment is only considered if a grantee misuses funds. In all cases, the grants team only makes recommendations; the final decision is made by the chief of staff and director.

- c. Describe how the report informs budget development and award recommendations.

We look at grant reports to understand how money was spent and what each project really needed. This helps us plan future budgets and figure out where funding should go. That said, we don't actually make the final call on who gets awarded, those decisions are up to the County Council and the Mayor, especially for line-item or proviso grants.

3. Please explain the grant balance for the following agencies and programs:

- a. Line 7: Alexander & Baldwin Sugar Museum (G6326)

For the Alexander & Baldwin Sugar Museum (G6326), the total grant was \$89,600. To date, \$65,824.97 has been reimbursed, leaving a balance of \$12,326. The grantee's final report was

approved on 10/27, and the final payment is now under review by Finance. Once approved, the grant will be closed.

b. Line 13: East Maui Taro Festival (G6317)

As of, 7/3/25, this final invoice for this grant has been paid out. Grant is closed.

c. Line 15: Fresh Help Maui Farmers Market (G6293)

Advancement was issued on 11/27/24 in the amount \$12,375. Leaving a balance of \$37,125.00. Grantee has not submitted receipts to prove expenditures for advancement, grantee has requested a budget reallocation to assist in closing out grant.

d. Line 21: Grants Central Station, Día de los Muertos Festival (G6338).

Grantee has ran into severe problems with fiscal sponsor. To date, there has been no reimbursement on the grant. However, we have been working with grantee, finance, and corporation council to find a path forward for the organization to be reimbursed for expenditures. Currently, final invoice and requested supporting documents are with finance for review.

e. Line 22: Grants Central Station, Makawao Parade (G6565).

Event completed 5/25/25- no final report or reimbursement request has been submitted despite multiple attempts to reach out to grantee. Currently, 30 day final notice is being drafted in final attempt to bring grantee into compliance and close out this grant.

f. Line 25: Hāna Arts; Mele, Motion, and Mentorship (G6482).

Grant performance period began 3/11/25 and will continue for a period of 12 months, there is a balance due to the fact that the grant is ongoing. Grantee is behind one quarterly report, (March-June) covering the beginning of their grant work. To date, there has been no request for reimbursement.

g. Line 32: Holani Hāna, Nani Nahiku Wa'a Project (G6445).

Grant performance period 11/1/24-10/31/25- grantee has not submitted any quarterly reports or reimbursement requests. Our office has reached out to the grantee four times in the last month requesting an update. To date, no response. **Final report is due on 11/30/25.**

h. Line 36: Hospice Maui, Lāna'i ARCH (G6321).

Hospice Maui, Lāna'i ARCH (G6321) received a total grant award of \$40,000. So far, they have been reimbursed \$3,102.36 based on their first invoice, which means they have a remaining balance of \$36,897.64 available.

During the project, the grantee requested a time extension and a budget reallocation. This was necessary because an additional contractor was brought in to complete the job, requiring us to amend the contract terms and extend the project deadline. The new completion date is December 31, 2026.

i. Line 37: Hui No'eau, Hui Holidays (G6295).

As of 7/10/25, final invoice has been paid and the grant has been completed and closed.

j. Line 42: IMUA Family Services, Camp Imua (G6507).

Grantee has a balance of \$1,762.29. Event was completed in June. Grantee has submitted their final report on 10/9/25. However, they have not submitted a final invoice. Our office has reached out three times to request the invoice and close grant out, no response from grantee. 30 day final notice has been issued in efforts to close out the grant.

k. Line 49: Kaiaulu Initiatives, Mauka Watershed Restoration(G6600).

Grant performance period: 6/30/25-6/29/26. Grant is ongoing- there has been no request for reimbursement.

- l. Line 52: Kekaulike High School Foundation, Upcountry Winter Fest 2025 (G6300).

Grant balance: \$14,568.60. Grantee has successfully processed 5 invoices to date. Currently, finance is reviewing invoice 3, 4, and 5.

- m. Line 55: Kīhei 4th Friday, Town Party (G6344).

Kīhei 4th Friday, Town Party (G6344) operates on a calendar year, with the contract set to expire at the end of this year. The current balance is \$23,576.73. They just submitted their third invoice for \$9,282.50, now under finance review. If approved with no revisions, the new balance will be \$14,294.23.

- n. Line 73: Lōkahi Pacific, Front Street Recovery (G6322).

Lōkahi Pacific, Front Street Recovery (G6322) currently has a balance of \$25,917.03. Their third invoice is ready for payment but is pending an updated Certificate of Insurance (the one on file expired 7/1/25). Once the COI is received, the payment will be processed. The contract ends December 31, 2025.

- o. Line 91: Maui Dance Council, Wailuku First Friday (G6312).

Grant performance period is on-going, it expires 12/31/25. As of 9/4/25 grant balance is \$11,371.64. Grantee is behind one quarterly report, no reimbursement request pending.

- p. Line 99: Maui Economic Opportunity, Maui Displaced Workforce (G6380).

Maui Economic Opportunity, Maui Displaced Workforce (G6380) has a remaining balance of \$1,263,041.76. Their final payment request was submitted; there were some date discrepancies outside the contract period, but those have been resolved. The payment is now with finance for second review, and the grant will be closing out.

- q. Line 100: Maui Economic Opportunity, Microenterprise Program (G6440).

Maui Economic Opportunity, Microenterprise Program (G6440) has a remaining balance of \$121,772.19. Their final payment has been processed and is with finance for review to close out the grant.

- r. Line 101: Maui High School Foundation, Close Up 2025(G6518).

Grantee must provide cancelled check showing that they have reimbursed the High School for expenditures in this grant before the County will reimburse the grantee for the funds. 30 day final notice has been sent.

- s. Line 103: Maui Taiko, Japanese Lion Dance Project (G6590).

Grant has a balance of \$3,472. Performance period does not end until May 31, 2026. Grantee is compliant.

4.Please confirm the performance periods for the following grants and programs:

- a. Line 34: Hone Heke Corporation, Expeditions Maui to Lāna'iFerry (G6567).

Performance period is from June 25, 2025, through June 24, 2026.

- b. Line 127: Ulu Island Nation, Maui Coffee Academy Workforce Development Project(G6506).
performance period is April 10, 2025, to February 28, 2026.

5. Please explain the applied methodology to compute the “% of total”, the formula and denominator used, including, if applicable, how “N/A” categories are handled for the following:

On the spreadsheet there is 6 criteria, each scored from 0 to 5, for a maximum score of 30. To get the “% of total,” you divide the applicant’s total score by 30, then multiply by 100. If any criteria are “N/A,” you subtract those points from the total possible, and use the new total as your denominator “N/A” categories are left out of the total.

- a. Line 42: IMUA Family Services (G6507).

The grant expired, and the grantee did not request an extension. They recently submitted their final report, but the final reimbursement is still outstanding, we have followed up with them and are working to close out the grant.

Their application scored 24.5 out of 30 points, with one “N/A” category. They met program goals and objectives and provided documentation and photos showing program activities.

- b. Line 43: Japanese Cultural Society of Maui (G6466).

There was an error showing 3652% for “% of total” the correct percentage, based on their score of 28 out of 30, is 93%.

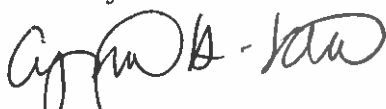
- c. Line 103: Maui Taiko (G6590). There was an error in the “% of total showing 3326%, the correct percentage, based on their score of 25.5 out of 30, is 85%.

- d. Line 129: University of Hawai'i Maui College Cooperative Education and Workforce Development (G6428).

They were scored only on three criteria: grant application, meeting community needs, and responsiveness, receiving scores of 5, 4.5, and 5 totaling 14.5 out of 15 possible points. The % of total was incorrectly listed as 1891%. The correct calculation is 97%.

Reporting was delayed due to a budget amendment, and an extension has been granted for their updated report. Grantee is compliant and has been working closely with OED management to close this out.

Sincerely,



Cynthia D. Lallo
Chief of Staff

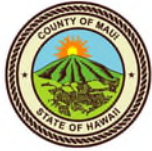
BFED Committee

From: Estrelita B. Dahilig <Estrelita.B.Dahilig@co.maui.hi.us>
Sent: Thursday, November 13, 2025 8:59 AM
To: BFED Committee
Cc: Cynthia D. Lallo; Emily E. Bartow; Josiah K. Nishita; Erin A. Wade; Cynthia E. Sasada; Didi A. Hamai; Kelii P. Nahooikaika; Maualei E. Tavares
Subject: TRANSMITTAL: Administration and Management of the Office of Economic Development Grants
Attachments: MT#11308.Sugimura.Lei.Chair. BFED Committee.pdf

Aloha,

Please see attached transmittal dated November 12, 2025, from Mayor's Office Chief of Staff, Cynthia D. Lallo regarding the above subject matter. Have a good day!

Mahalo,
Lita



Lita B. Dahilig

Secretary

County of Maui
Office of the Mayor
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estrelita.b.dahilig@co.maui.hi.us