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September 14, 2025

APPROVED FOR TRANSMITTAL

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

 9/15/2025
Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
and Members of the Budget, Finance, and Economic Development Committee
200 South High Street
Wailuku, HI 96793

Dear Chair Sugimura:

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

Pursuant to your correspondence dated August 6, 2025 below are the responses to the following:

1. What is the Office's overall strategy for using grants to advance economic development in Maui County? Please describe the Office's core goals, target outcomes, and how grantmaking decisions are aligned with those goals. If available, please provide a copy of the Office's strategic plan or any equivalent guiding document.

Office of Economic Development (OED) – Grants Strategy for Advancing Economic Development-Overall Strategy

The Office of Economic Development is refocusing its grants program to function as a strategic tool for driving economic growth rather than a stand-alone funding mechanism. Grantmaking will be directly aligned with OED's strategic framework and core economic priorities, ensuring that County resources are used to strengthen Maui's kama'āina economy while addressing community needs.

Core Goals

1. *Support the Kama'āina Economy – Prioritize industries that create long-term, sustainable opportunities for residents.*
2. *Diversify Economic Drivers – Invest in sectors beyond tourism, particularly:*
 - *Healthcare*
 - *Technology*
 - *Construction*
 - *Creative Industries*

3. *Strengthen Small Businesses – Expand access to resources and technical assistance for local entrepreneurs.*
4. *Workforce Development – Build a skilled workforce that meets current and future economic needs.*
5. *Manage the Visitor Industry Responsibly – Support initiatives that balance economic benefits with community well-being and resource management.*
6. *Promote Organizational and Business Sustainability – Require grant-funded organizations to plan for financial stability beyond County support.*
7. *Support Local Culture - Partner with entities that promote economic development while enhancing cultural awareness and supporting local growth.*

Target Outcomes

- *Increased number of locally owned and operated businesses thriving in priority sectors.*
- *Growth in high-quality, living-wage jobs for Maui residents.*
- *Stronger pipeline of trained workers in healthcare, technology, construction, and creative fields.*
- *More equitable access to small business support and funding opportunities.*
- *Better community alignment and oversight in visitor industry management.*
- *Demonstrated return on investment through transparent measurement of grant impacts.*
- *Increased sustainability of partner organizations and businesses through structured multi-year planning.*

OED's refocused strategy positions grants not just as financial assistance, but as a lever for systemic economic development—targeting industries, small businesses, and workforce programs that will strengthen Maui's kama'āina economy for the long term, while also fostering sustainability and accountability among partner organizations.

**Please note the OED strategic framework will be available in the final draft form October 1, 2025*

2. Provide the working group's findings and recommendations?

As part of the effort to advance countywide grant standardization, cross-departmental working groups were formed and included key personnel to support effective integration.

Three working groups have been convened to align and improve countywide grant systems and processes. This includes both incoming and outgoing grants.

- **Group 1** – *Clarification of internal processes between Finance, Corporation Counsel, and the Office of Economic Development.*
- **Group 2** – *Process and routing of countywide outgoing grants.*
- **Group 3** – *Countywide grant managers (outgoing) and countywide grant writers (incoming) working together to identify strengths, challenges, and solutions that can be applied countywide.*

Note: These groups are ongoing and will continue to meet.

Recommendations / Findings

1. *Establish a standard process for incoming grants to ensure awards are tracked, accepted, utilized, and managed effectively (so no funding is left unclaimed).*
2. *Build and sustain a network of county grants staff across departments to continuously refine and improve the system. (County wide network began meeting in July).*
3. *Develop a micro-grants/ small-grants program to support community events and ease administrative burden on small grantees. (will need to be considered for FY27)*
4. *Separate competitive grant funding buckets from line-item allocations for clarity and transparency. (Will need to be implemented in FY27 budget).*
5. *Create a readiness checklist/filter to assess applicant capacity and readiness to partner with the County of Maui. (Readiness checklist currently being used in general grant writing workshops).*
6. *Provide examples of acceptable supporting documentation (in addition to county code) to help applicants meet requirements. (Examples currently being gathered from Finance and OED).*
7. *Expand grant writing resources for community organizations and businesses to pursue diversified funding in support of Maui County. (Four general grant writing workshops have been held serving approximately 150 individuals. The next grant writing workshop will be held on Lanai on September 16, 2025. A suite of workshops will be offered on an ongoing basis. These workshops are in addition to the sessions offered by the County's grant-giving Departments).*
8. *Assign a Residency Area Funds Grant Manager and include Council Members (or their designees) in the vetting of residency area grant applications and allocations. (Thank you to those council members that have taken part in this process. We would like to implement this strategy as we receive line-item/residency area applications).*
9. *Select and implement a common intake platform/software for consistency and efficiency. (Grant Software RFP is in draft form and being vetted by the county wide grants working group).*
10. *Require administrative fees for all county written grants (incoming)*
11. *Shift to multi year descending grants for the Office of Economic Development. (This will need to be planned for in FY27).*
12. *Consider adding other sources of funding as an evaluation criteria. (This will need to be implemented in FY27).*
13. *Do not line-item grants for grantees that have outstanding issues on past grants.*

3. How has the Office evaluated each recommendation from the working group?

The Office of Economic Development participated in the discussions and contributed suggestions and recommendations for consideration in the final set of changes.

a. Which recommendations will the Office implement and which will it not? Please explain.

It should be noted that the grant standardization effort is countywide. While Finance and Corporation Counsel are represented in the working groups, the final recommendations will ultimately need to be reviewed and approved by Corporation Counsel for form and legality.

b. For those that will be implemented, what are the planned timelines and key steps?

Several recommendations are already underway, with some implemented and requiring ongoing efforts. Others will need additional vetting but are expected to be decided on in the coming months. Please refer to the dates listed next to each recommendation for those that have been initiated and the next steps for those requiring further action. Please refer to answer #2 under the Findings/Recommendations heading.

c. Has the Office identified any barriers that may delay or prevent implementation? If so, what steps are being taken to address them?

The Office has not identified barriers that would prevent implementation; however, challenges may arise that could affect the pace of progress. To mitigate these, the Office is engaging grant-writing and grant-making departments across the County and coordinating with Corporation Counsel, Finance, and Budget. These efforts are intended to reduce barriers, strengthen collaboration and consensus, and ensure both the efficiency and long-term sustainability of the grant standardization process.

4. Does the Office plan to recommend any amendments to the Maui County Code, policies, or administrative rules to improve the grant administration process? Please explain.

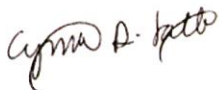
The administration is working on developing countywide administrative rules for grant management that can be adapted or adopted by the Departments. This will include policies and procedures related to grants.

The working groups are preparing proposals for amendments to the County Code in order to clarify or update the current language in line with the recommendations and findings.

5. What support or coordination, if any, is needed from the Council to assist with implementation?

Continued communication between Council and Administration and collaboration on any proposed code amendments that are introduced in the coming months. Budgetary support for items that will assist with the process such as additional grants positions and/or software.

Sincerely,



Cynthia D. Lallo
Chief of Staff

BFED Committee

From: Michelle L. Santos <Michelle.Santos@co.maui.hi.us>
Sent: Monday, September 15, 2025 1:37 PM
To: BFED Committee
Cc: Cynthia D. Lallo; Emily E. Bartow; Cynthia E. Sasada; Didi A. Hamai; Erin A. Wade; Josiah K. Nishita; Kelii P. Nahooikaika
Subject: MT#11228 Administration and Management of the Office of Economic Development
Attachments: MT#11228-BFED Committee.pdf