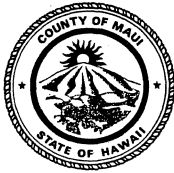


ALAN M. ARAKAWA  
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April 12, 2005

MEMO TO: Dain P. Kane, Chair  
Budget and Finance Committee

F R O M: Edward S. Kushi, Jr., Deputy Corporation Counsel

SUBJECT: **PRELIMINARY REVIEW REQUESTS/QUESTIONS FROM THE MARCH 31,  
2005 MEETING (CC-01) (BF-1)**

This is in response to your memorandum of April 1, 2005, relative to question number 2, which inquired: "Is the Grants Review Committee within its authority to establish 'caps' to Community Partnership Grants?"

CONCLUSION.

There are no provisions in Chapter 3.36, Maui County Code ("MCC"), or in the Rules and Regulations Relating to Grants, Title MC-07, Subtitle 02 ("GRC Rules"), which authorize the Grants Review Committee ("GRC") to establish limitations or "caps" with respect to requests for grants of County funds.

The Council, through its annual budgetary process, appropriates a sum certain to fund grant proposals that are subject to GRC review. Said funding is included in the budget of the Department of Housing and Human Concerns ("DHHC"). Upon completion of its review process, the GRC transmits its written recommendations to the Director of DHHC and the Mayor. In such advisory capacity, the GRC may use limitations or caps in developing its recommendations concerning funding requests; however, said recommendations are advisory only, and not binding on the administration.

DISCUSSION.

1. CHAPTER 3.36, MAUI COUNTY CODE

The GRC was established pursuant to Chapter 3.36, MCC.<sup>1</sup> The GRC reviews "all applications for grants for programs relating to human services, community youth groups, and culture and the arts."<sup>2</sup> All appropriations "intended for allocation under this chapter" are subject to the GRC's review and written recommendations to the Mayor.<sup>3</sup> The GRC is authorized to adopt administrative rules relating to conditions for grants, procedural submission matters, grant request analysis factors, and standards for monitoring and evaluating grants.<sup>4</sup> The GRC also reviews requests for grants of County real property, and thereafter transmits its recommendations to the Council for its consideration and authorization.<sup>5</sup> Notwithstanding the GRC's jurisdiction to review and recommend "allocations of part or all of any appropriation intended for allocation under this chapter",<sup>6</sup> the Council is not restricted by such allocations, and may, by separate appropriation, provide for grants for "public purposes", subject to conformance with certain procedural, contractual and administrative matters.<sup>7</sup>

There are no provisions in Chapter 3.36, MCC, that "authorizes" the GRC to limit or "cap" any funding or allocated appropriation to any particular requestor/recipient. As noted and emphasized above, the GRC's role is to review and recommend to the Mayor or the Council whether requests for grants should be granted. The final authority to approve, deny, or modify such requests lies with the Mayor or the Council, depending on the nature of the grant. However, there is nothing to prevent the GRC from recommending limitations or caps or from using such limitations or caps in formulating its final recommendations.

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<sup>1</sup>Section 3.36.020 (A), MCC.

<sup>2</sup>Section 3.36.160, MCC.

<sup>3</sup>Section 3.36.070, MCC (GRC written findings and recommendations); Section 3.36.080, MCC (GRC recommendations for allocations).

<sup>4</sup>Sections 3.36.020 (D), (E), MCC.

<sup>5</sup>Section 3.36.090, MCC.

<sup>6</sup>Section 3.36.080, MCC.

<sup>7</sup>Section 3.36.150, MCC.

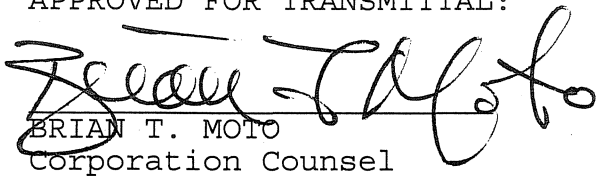
2. ADMINISTRATIVE RULES

Pursuant to Sections 3.36.020(D) and (E), MCC, administrative rules for the GRC were adopted in 1993.<sup>8</sup> The GRC Rules implement the intent and purpose of Chapter 3.36 by stating: "The Committee . . . will review proposals and recommend funding grants, subject to the approval of the Mayor. The Committee will also review proposals of real property grants and make recommendations to the mayor, subject to the approval of the County Council."<sup>9</sup> (emphasis added). There are no provisions in the GRC Rules that address funding limits or caps.

Our Department will recommend to the GRC that it consider amending the GRC Rules to more specifically identify the methods used in developing recommendations for the allocation of grant funds.

Call if further discussion or clarification is needed.

APPROVED FOR TRANSMITTAL:

  
BRIAN T. MOTO  
Corporation Counsel

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cc: Honorable Alan M. Arakawa, Mayor  
Sherilyn A. Morrison, Budget Director  
Alice L. Lee, Director, Housing and Human Concerns  
Traci F. Villarosa, First Deputy Corporation Counsel

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<sup>8</sup>Rules and Regulations Relating to Grants, Title MC-07, Subtitle 02.

<sup>9</sup>Section 07-1-3, GRC Rules.