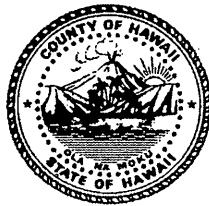


From the office of -
Council Member
District 3 - Hilo and Puna



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SUSAN L.K. LEE LOY
25 Aupuni Street, Hilo, Hawai'i 96720

2019 MAY 15 PM 3:00
COUNTY CLERK
COUNTY OF HAWAII

TO: Aaron S.Y. Chung, Chair
and Members of the Hawai'i County Council

FROM: Sue Lee Loy, Council Member

DATE: May 15, 2019

SUBJECT: Proposed Amendment to Bill No. 63; An Ordinance Amending Chapter 2, Article 25, Section 2-139, of the Hawai'i County Code 1983 (2016 Edition, as Amended), Relating to the Procedure for Awarding Grants to Nonprofit Organizations.

Please find attached a proposed amendment to Bill No. 63. This amendment further increases the minimum amount of grants-in-aid to be awarded annually to nonprofit organizations.

The proposed amendment is illustrated below in Ramseyer format with respect to the contents of Bill No. 63. Material to be deleted is bracketed and stricken; new material is underscored.

SECTION 1 of Bill No. 63 is amended to read as follows:

“**SECTION 1.** Chapter 2, article 25, section 2-139, of the Hawai'i County Code 1983 (2016 Edition, as amended), is amended by amending subsection (a) to read as follows:

“(a) All grant awards made to a nonprofit organization by the County shall be made in accordance with one of the following procedures:

(1) Grants-in-aid awarded annually in the operating budget:

(A) Annually, before November 30, the director shall, for the purpose of soliciting applications, establish a sum of at least [~~\$1,500,000~~] \$2,500,000 to be available in the ensuing fiscal year for funding requests by nonprofit organizations. The director shall publish a notice soliciting applications in two newspapers of general circulation within the County by November 30.

(B) All applications for grants shall be submitted to the director on or before January 31 preceding the County's fiscal year, which begins on July 1. Applications shall be prepared on forms provided by the director. Applications not in conformance with the requirements of this Code may be rejected. All application forms shall include detailed information on

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specific, measurable outcomes and public benefits to be derived from the expenditure of County funds.

- (C) The director shall submit to the council all qualifying applications as provided in sections 2-137 and 2-138 for its review and appropriation of funds. Site visitations of nonprofit organizations submitting complete applications may be conducted by the council and its designated staff, as deemed necessary by the chair of the appropriate committee, after January 31 but prior to final action on the operating budget by the council. Any site visitations shall be publicly noticed and conducted in a manner that allows flexible councilmember participation and designated staff support.
 - (D) Upon favorable action by the council to appropriate funds for the grant, a written contract shall be prepared with the nonprofit organization which shall meet all legal requirements of the County and shall include program, fiscal, and audit reporting requirements sufficient to allow the director, the legislative auditor, or council to effectively monitor and evaluate the use of the grant funds. Agencies shall be notified by the director of their funding or lack thereof by August 31.
- (2) Grants From District Contingency Relief Funds:
- (A) Appropriations from the district contingency relief account shall be transferred to an accepting County department/agency via resolution identifying the nonprofit organization and the specific program, project, event, activity, service, equipment, materials, or supplies for which the grant shall be used.
 - (B) Any equipment purchased by a nonprofit organization shall be domiciled with that nonprofit organization, which shall assume any and all liability for such equipment.
 - (C) A contract shall be prepared with the nonprofit organization which shall meet all legal requirements of the County and shall include program, fiscal, and audit reporting requirements sufficient to allow the legislative auditor or council to effectively monitor and evaluate the use of the grant funds.
- (3) Other Grants:
- (A) Grant awards in excess of \$25,000 to nonprofit organizations shall specifically identify the organization receiving the grant funds and the purpose for which the grant funds shall be used in an ordinance or resolution.
 - (B) Grant awards in excess of \$25,000 to organizations that do not qualify as nonprofit organizations shall specifically identify the purpose for which the funds shall be used in an ordinance or resolution and be subject to competition in compliance with chapter 103D of the Hawai'i Revised Statutes.

- (C) Grant awards of \$25,000 or less may be authorized by the finance director for public purpose projects or programs upon written request of a funding agency or department. Such grant awards shall not be limited to nonprofit organizations but shall specifically identify the organization and program, project or event for which the grant funds shall be used and comply with the rules and regulations of the director of finance.”

A draft copy of the draft 2 of this bill that would result if these proposed amendments are adopted is attached.

SL/ps
Att.

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE 25, SECTION 2-139, OF THE HAWAI'I COUNTY CODE 1983 (2016 EDITION, AS AMENDED), RELATING TO THE PROCEDURE FOR AWARDING GRANTS TO NONPROFIT ORGANIZATIONS.

BE IT ORDAINED BY THE COUNCIL OF THE COUNTY OF HAWAI'I:

SECTION 1. Chapter 2, article 25, section 2-139, of the Hawai'i County Code 1983 (2016 Edition, as amended), is amended by amending subsection (a) to read as follows:

“(a) All grant awards made to a nonprofit organization by the County shall be made in accordance with one of the following procedures:

(1) Grants-in-aid awarded annually in the operating budget:

- (A) Annually, before November 30, the director shall, for the purpose of soliciting applications, establish a sum of at least [~~\$1,000,000~~] \$2,500,000 to be available in the ensuing fiscal year for funding requests by nonprofit organizations. The director shall publish a notice soliciting applications in two newspapers of general circulation within the County by November 30.
- (B) All applications for grants shall be submitted to the director on or before January 31 preceding the County's fiscal year, which begins on July 1. Applications shall be prepared on forms provided by the director. Applications not in conformance with the requirements of this Code may be rejected. All application forms shall include detailed information on specific, measurable outcomes and public benefits to be derived from the expenditure of County funds.
- (C) The director shall submit to the council all qualifying applications as provided in sections 2-137 and 2-138 for its review and appropriation of funds. Site visitations of nonprofit organizations submitting complete applications may be conducted by the council and its designated staff, as deemed necessary by the chair of the appropriate committee, after January 31 but prior to final action on the operating budget by the council. Any site visitations shall be publicly noticed and conducted in a manner that allows flexible councilmember participation and designated staff support.
- (D) Upon favorable action by the council to appropriate funds for the grant, a written contract shall be prepared with the nonprofit organization which shall meet all legal requirements of the County and shall include program, fiscal, and audit reporting requirements sufficient to allow the director, the legislative auditor, or council to effectively monitor and evaluate the use of the grant funds. Agencies shall be notified by the director of their funding or lack thereof by August 31.

(2) Grants From District Contingency Relief Funds:

- (A) Appropriations from the district contingency relief account shall be transferred to an accepting County department/agency via resolution identifying the nonprofit organization and the specific program, project, event, activity, service, equipment, materials, or supplies for which the grant shall be used.
 - (B) Any equipment purchased by a nonprofit organization shall be domiciled with that nonprofit organization, which shall assume any and all liability for such equipment.
 - (C) A contract shall be prepared with the nonprofit organization which shall meet all legal requirements of the County and shall include program, fiscal, and audit reporting requirements sufficient to allow the legislative auditor or council to effectively monitor and evaluate the use of the grant funds.
- (3) Other Grants:
- (A) Grant awards in excess of \$25,000 to nonprofit organizations shall specifically identify the organization receiving the grant funds and the purpose for which the grant funds shall be used in an ordinance or resolution.
 - (B) Grant awards in excess of \$25,000 to organizations that do not qualify as nonprofit organizations shall specifically identify the purpose for which the funds shall be used in an ordinance or resolution and be subject to competition in compliance with chapter 103D of the Hawai'i Revised Statutes.
 - (C) Grant awards of \$25,000 or less may be authorized by the finance director for public purpose projects or programs upon written request of a funding agency or department. Such grant awards shall not be limited to nonprofit organizations but shall specifically identify the organization and program, project or event for which the grant funds shall be used and comply with the rules and regulations of the director of finance.”

SECTION 2. Material to be repealed is bracketed and stricken. New material is underscored. In printing this ordinance, the brackets, bracketed and stricken material, and underscoring need not be included.

SECTION 3. Severability. If any provision of this ordinance, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable.

SECTION 4. This ordinance shall take effect July 1, 2019.