

COUNCIL BUDGET AMENDMENT

FY 2027 BUDGET

DEPARTMENT: COUNTYWIDE

FUND: MAUI LIVING ʻĀINA STABILIZATION INVESTMENT TRUST FUND

PURPOSE: CONDITIONAL DONATION-BASED APPROPRIATION FRAMEWORK

SECTION 1. Council Findings. The Council finds that philanthropic or donated capital may be accepted by the County and conditionally appropriated through a Memorandum of Agreement (“MOA”) establishing performance-based release criteria for stabilization of essential living life-support systems in Maui County. This philanthropic investment framework shall be known and may be cited as the Maui Living ʻĀina Stabilization Trust Fund (“MLAST Fund”).

SECTION 2. Conditional Donation-Based Appropriation Framework. A Memorandum of Agreement (“MOA”) may be entered into by and between the County of Maui (“County”), acting through the Mayor or designee, and one or more Donor Entities and/or Implementing Entities (collectively “Participants”), for the purpose of establishing a conditional, performance-based, donation-funded investment program to stabilize essential life-support systems across Maui County. This budget proviso authorizes acceptance and conditional appropriation of donated funds only. No County general funds, tax revenues, debt issuance, guarantees, or financial obligations shall be created by this proviso. All program expenditures shall be limited strictly to funds actually received by the County. Nothing in this proviso shall obligate future appropriations, create entitlement expectations, impair Council budget authority, or limit future Council discretion. If no donations are received, this proviso shall have no fiscal effect. The Council further finds that this structure represents a zero-risk authorization enabling philanthropic investment in essential public life-support systems while preserving full fiscal control.

SECTION 3. Fund Establishment. The Maui Living ‘Āina Stabilization Investment Fund (“MLAST Fund”) is authorized for purposes of accepting donated funds and conditionally appropriating such funds pursuant to this budget proviso. The Maui Living ‘Āina Stabilization Investment Fund (“MLAST Fund”) is established to receive philanthropic or donated capital and deploy such funds, subject to appropriation and compliance with appropriately-legislated MOA, toward ten essential stabilization categories: food, water, housing, healthcare, wastewater, reef restoration, watershed restoration, education, child care and development, and elder dignity.

SECTION 4. Total Authorization and Term. Total program authorization shall be up to \$15,000,000,000 in donated funds, with a maximum annual release of \$1,500,000,000 for Fiscal Year 2027 through Fiscal Year 2036. No funds shall be released in any fiscal year unless donated funds have been received and appropriated for that fiscal year. Funds may be appropriated into the MLAST Fund upon acceptance of donated funds by the County. No County general funds are appropriated by this amendment.

SECTION 5. Appropriation Mechanism Establishment. The Fund shall operate as a conditional donation-based appropriation mechanism. Donated funds shall be deposited into a segregated County account designated as the Maui Living ‘Āina Stabilization Investment Fund. Funds shall not lapse at fiscal year-end unless required by law. Funds shall not be commingled with general revenues. Administrative costs shall not exceed five percent unless otherwise approved by Council.

SECTION 6. Annual Category Allocations. Subject to donation receipt and appropriation, up to \$150,000,000 annually shall be available for each of the following categories:

1. Food security and local production

2. Water security and infrastructure
3. Housing and homelessness stabilization
4. Healthcare access and capacity
5. Wastewater treatment and disinfection
6. Reef restoration and marine recovery
7. Watershed restoration and flood resilience
8. Education system strengthening
9. Child care and development capacity
10. Elder dignity, services, and housing

Total potential annual allocation: \$1,500,000,000.

SECTION 7. Fund Release Conditions. No funds shall be released unless all of the following conditions are met:

1. Execution of this MOA
2. Receipt of donated funds
3. Council appropriation or budget proviso authorization
4. Defined scope of work for each funded category

5. Performance metrics established prior to release
6. Procurement compliance certification
7. Environmental and cultural compliance certification
8. Quarterly reporting plan established
9. Independent audit agreement executed

Prior to any release of funds, the Director of Finance shall certify that expenditures are fully supported by deposited donated funds and that no County funds are committed or encumbered. No disbursement may occur absent such certification.

SECTION 8. Disbursement Structure.

1. Funds shall be released in quarterly increments.
2. Up to 25 percent may be released per quarter.
3. Ten percent of each allocation shall be retained pending annual audit.
4. Failure to meet milestones shall suspend further disbursement.

SECTION 9. Performance Metrics. Each category shall define measurable performance metrics prior to release. Examples may include, but are not limited to:

1. Food: increased local production capacity, reduced import dependency
2. Water: increased potable capacity and meters, reduced system losses
3. Housing: units delivered, cost containment metrics
4. Healthcare: increased access capacity, reduced wait times
5. Wastewater: pathogen and nutrient reduction, reuse
6. Reef restoration: coral recovery metrics, water quality improvements
7. Watershed restoration: acreage restored, sediment reduced
8. Education: capacity or outcome improvements
9. Child care: new capacity created, affordability metrics
10. Elder dignity: extension and quality of life, services delivered

Metrics shall be numeric, auditable, and reported quarterly.

Section 10. Implementation. Implementing entities shall be selected consistent with applicable procurement laws.

1. Intergovernmental agreements and nonprofit partnerships are permitted.
2. No sole-source awards shall occur without written justification.
3. Local workforce participation is encouraged where legally permissible.

Section 11. Oversight and Reporting. Quarterly reports shall be transmitted to the Maui County Council. An annual independent audit is required. A public and donor transparency dashboard is required. A County and donor audit authority shall retain full access to records. Failure to report shall trigger automatic funding pause.

Section 11. Clawback and Nonperformance. Unspent funds shall revert to the Fund. Missed milestones shall proportionally reduce future disbursement. Material nonperformance shall allow suspension or termination. Fraud or misuse shall trigger full recovery rights.

Section 12. Reallocation Authority. Reallocation among categories may occur with Council approval. Unused category funds may be redistributed to performing categories. Total annual release cap shall remain \$1,500,000,000.

Section 13. Donation Conditions. Donations shall not confer procurement preference. Donations shall not direct specific vendors. Donations may designate category preference consistent with law. Donations shall be accepted only in concert with County ethics rules.

Section 14. Non-Appropriation Clause. Nothing in an MOA under this code shall obligate future appropriations. Annual releases remain contingent on Council authorization and donation receipt.

Section 15. Compliance. All funded activities must comply with applicable laws. Environmental review shall occur where required. Cultural consultation shall occur where appropriate. Labor compliance required.

Section 16. Insurance and Liability. Implementing entities shall maintain appropriate insurance. Participants shall indemnify the County where

permitted by law.

Section 17. Sunset and Review. Program shall undergo formal review at Year Five. Council may modify conditions prospectively. Program terminates at end of FY 2036 unless extended.

Section 17. Severability. If any portion of this code is found invalid, remaining provisions remain in effect.

Section 18. This budget proviso shall take effect upon adoption of the FY 2027 Budget and shall remain in effect for donated funds received during FY 2027 through FY 2036 unless amended by Council.

BUDGET PROVISIO — FY 2027

Department: Countywide

Fund: Maui Living 'Āina Stabilization Investment Fund (MLAST)

Type: Conditional Donation-Based Appropriation

Amount: Up to \$1,500,000,000 annually from donated funds only

Funds appropriated for the Maui Living 'Āina Stabilization Investment Fund shall be restricted and shall not be expended unless and until the Mayor executes a Memorandum of Agreement establishing performance-based conditions for release of donated funds. No more than \$1,500,000,000 may be released in any fiscal year. Funds shall be allocated in ten equal program categories of up to \$150,000,000 each annually. Disbursement shall occur quarterly subject to performance metrics, reporting, and audit requirements. Unused funds shall revert to the Fund. Failure to meet conditions shall suspend release.

OFFERED BY COUNCILMEMBER:

SECONDED BY:
