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Maui Resident

Agenda Item: BFED-1 – Proposed Fiscal Year 2027 Budget for the County of Maui

Chair Sugimura and Members of the Committee,

Thank you for the opportunity to submit written testimony regarding the proposed Fiscal Year 2027 budget for the County of Maui.

I submit this testimony in opposition to the budget as currently structured. My concerns are not simply about the size of the budget itself, but about what the budget reveals regarding the direction, priorities, and performance of county government at a time when many residents feel the conditions of daily life on Maui are not improving.

The proposed county budget totals approximately **\$1.6 billion for a county of roughly 165,000 residents**. In practical terms, that equates to roughly **\$10,000 per resident per year flowing through county government**. When government operates at that scale, residents reasonably expect to see meaningful improvements in the fundamental systems that support life on this island.

Instead, many residents feel the opposite is occurring.

Housing remains out of reach for many local families. The cost of living continues to rise. Infrastructure failures during major storms have exposed weaknesses in drainage systems, roads, and water systems. Employers regularly report difficulty finding a trained and reliable workforce. Communities across the island continue to struggle with homelessness, drug abuse, and property crime.

These are not abstract policy discussions. These are conditions that residents experience every day.

It is also important to recognize that Maui has experienced extraordinary challenges in a very short period of time. The island endured the pandemic, devastating wildfires, repeated flooding events, economic instability in tourism, and workforce disruption across nearly every sector.

During times like these, residents expect government to become more focused, more disciplined, and more responsive to the systems that support community stability.

Yet the structure of this budget suggests the opposite.

Nearly **\$390 million is categorized as “countywide costs,”** representing the internal cost of maintaining the government system itself. The budget also spreads hundreds of millions of dollars across special funds, revolving accounts, and restricted programs that make the financial structure increasingly complicated and difficult for the public to understand.

Even more concerning, recent committee discussions revealed that the administration is proposing **more than ninety new county positions while roughly ninety positions are already vacant**, and the County is carrying **well over \$170 million in unused funds**.

When residents see those numbers, a simple question arises: if government cannot fill the positions it already has and is sitting on that much unspent money, why is the solution to expand government further?

This raises a deeper structural question about how the County evaluates its own performance.

If the goal is to determine whether this budget is functioning effectively, it can be evaluated using three basic tests.

The Staffing Reality Test.

A responsible government fills the positions it already has before expanding the workforce. Proposing dozens of new positions while existing positions remain vacant suggests the government is attempting to grow before it can manage the staff it already has.

The Unused Money Test.

Government should not expand spending while large amounts of public money remain unused. When the County holds well over \$100 million in carryover funds while proposing budget growth, it raises serious questions about financial discipline and resource management.

The Outcome Test.

Residents measure success by outcomes, not by the size of government spending. When a county budget reaches roughly \$1.6 billion, the public expects measurable improvements in housing availability, infrastructure reliability, public safety, emergency preparedness, and economic stability. Yet many of these conditions remain strained.

Another issue that deserves attention is the policy discussion about “**devaluing real estate**” as a strategy for improving housing affordability.

On paper, that argument appears simple: if housing prices fall, homes become easier to afford. But on Maui the reality is far more complex.

Real estate forms the foundation of the island’s economy and tax base. Property taxes represent the largest single source of county revenue. Tourism investment, construction activity, lending, small business development, and retirement savings are all connected to the value of land and property.

When policymakers discuss intentionally reducing property values, they are effectively discussing weakening the primary economic engine that supports the county government itself.

If property values were destabilized, several consequences could follow. County tax revenue could decline. Homeowners could lose equity. Banks could tighten lending standards. Investment

in housing construction could slow. The ripple effects could move through the entire island economy.

The housing challenge on Maui is not simply about land availability. It is about **execution capacity**.

Limited water infrastructure, aging wastewater systems, road capacity constraints, permitting delays, financing uncertainty, and shortages of skilled construction labor all affect the ability to build housing. When these systems stall, housing projects already in the pipeline remain unfinished for years.

For that reason, increasing housing supply on Maui does not necessarily mean expanding development into new land areas or dramatically increasing density across the island.

Instead, it means **delivering the projects that already exist in the pipeline**.

A county budget focused on infrastructure investment and permitting efficiency could move many of these projects forward.

The County cannot manufacture new land, and it must respect the island's environmental limits. What it can do is prioritize the infrastructure and administrative capacity needed to move housing projects from planning to completion.

Maui is not a mainland city. It is an island community with physical limits, environmental risks, and a fragile economic balance. Government policy and budgeting should reflect that reality.

The County's primary focus should be on the systems that keep the island functioning:

- reliable water infrastructure
- safe roads and drainage systems
- wildfire preparedness and disaster resilience
- housing delivery supported by infrastructure and efficient permitting
- public safety and properly staffed emergency services
- a functioning local economy that allows families to remain on the island

Instead, year after year residents see budgets that grow larger while the conditions that matter most to daily life remain largely unchanged.

Looking back at the last three county budgets, many residents would struggle to identify meaningful improvements delivered to the people of this island.

Government spending has increased, but the results experienced by residents have not kept pace.

For these reasons, I respectfully request that the Council:

- conduct a detailed review of countywide administrative costs and identify opportunities to reduce overhead
- reconsider adding new positions while existing positions remain vacant
- prioritize capital spending that directly supports infrastructure, housing delivery, and disaster resilience
- review the use of carryover funds and determine whether some should be redirected toward infrastructure priorities or returned to taxpayers through relief
- ensure that budget decisions strengthen the long-term economic stability of Maui rather than destabilize the island's primary economic sectors

This leads to two direct questions.

If the County of Maui is effectively spending about **\$10,000 per resident every year**, where exactly are residents seeing \$10,000 worth of measurable improvements in their daily lives?

And equally important:

After the pandemic, after the fires, after the flooding, and after years of rising costs of living, **how does this budget fundamentally change the trajectory of life on Maui for the people who actually live here?**

Until those questions can be answered clearly, expanding the size of government should not be the default response.

The size of a government budget should not be the measure of success.
The measure should be whether life on Maui is actually improving.

Mahalo for the opportunity to submit testimony.

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