

STATEMENT  
OF

THOMAS BUSSANICH  
DIRECTOR OF BUDGET, OFFICE OF INSULAR AFFAIRS  
DEPARTMENT OF THE INTERIOR

BEFORE THE

HOUSE SUBCOMMITTEE ON INDIAN, INSULAR AND ALASKA NATIVE AFFAIRS

ON

ASSESSING CURRENT CONDITIONS AND CHALLENGES  
AT THE  
LBJ TROPICAL MEDICAL CENTER IN AMERICAN SAMOA

July 25, 2017

Chairman LaMalfa, Ranking Member Torres and Members of the Subcommittee on Indian, Insular, and Alaska Native Affairs, thank you for the opportunity to speak regarding the LBJ Tropical Medical Center in American Samoa.

The LBJ Tropical Medical Center is the primary healthcare facility in American Samoa. The Office of Insular Affairs (OIA) has been a partner with the American Samoa Government for many years, providing supplemental funding for the operations and renovation of the hospital that was beyond the capacity of the local community. Although healthcare is not a primary function of OIA, our broad authorities make it possible to provide assistance in American Samoa.

In recent years, the primary goals of OIA has been to “Create Economic Opportunity”, “Improve the Quality of Life”, and “Promote Efficient and Effective Governance” in the United States insular areas. Our assistance for the LBJ hospital is in accord with these goals, as we provide both operational funding and capital improvement funding to help improve healthcare for the American Samoa community.

## **CAPITAL IMPROVEMENTS**

American Samoa Government (ASG) is a recipient of a significant share of the annual mandatory \$27.72 million in capital infrastructure funding available from the Office of Insular Affairs. Historically, American Samoa has received at least one-third of the \$27.72 million in infrastructure funds set aside for the four smaller territories –

2012	\$10,089,000
2013	9,964,000
2014	10,047,000
2015	9,297,000
2016	9,505,000
2017	9,613,000
2018 (request)	10,321,000

For the ASG, its allocation of capital improvement funds is conditioned on submission of 5-year capital improvement project (CIP) plans that outline local priorities for capital spending. For many years, American Samoa’s top priority was health and therefore the LBJ Tropical Medical Center received larger shares of capital spending. Normally, between 15 and 24 percent of American Samoa’s Federal capital improvement allotment have been devoted to phased construction at the LBJ hospital. In the 5-year CIP plan for 2016 through 2020, ASG priorities changed due to the fragility of the territory’s main industry, tuna canning. The new 5-year plan elevates economic development to priority number 1 and education to number 2. Health was bumped to number 3. The allocation decisions are made by the American Samoa Government and are not set by the Office of Insular Affairs.

The LBJ Tropical Medical Center was constructed in the 1960s. During the past fifteen years CIP funding has been used to renovate much of the hospital to bring it into compliance with modern hospital standards. Currently, the labor, delivery and surgical wings are under major renovation and expansion. Construction is ongoing, and when the renovation project is completed in 2020, approximately 60 percent of the hospital’s physical plant will count as having been rebuilt.

The Office of Insular Affairs also provides operational funding for the LBJ hospital from the annual American Samoa Operations Grant. In the current fiscal year, the grant totals \$22.75 million. The actual use of the grant is proposed by the ASG, which is using \$7.9 million to support LBJ in fiscal year 2017. The remainder of the grant is used to support general education (\$11.4 M), the community college (\$1.4 M), and the High Court (\$.9 M).

For a quick look at both operations and CIP spending over the past 15 years, please see below. It shows that the Office Insular Affairs has provided \$132 million in operations funding and \$30 million in CIP funding for the LBJ Tropical Medical Center in American Samoa.

<b>Fiscal Year</b>	<b>Operations Funding to LBJ</b>	<b>Fiscal year</b>	<b>CIP Funding to LBJ</b>
2003	\$7,721,000	2003	\$1,710,000
2004	\$7,675,938	2004	\$2,000,000
2005	\$7,664,000	2005	\$1,545,000
2006	\$13,264,000	2006	\$1,800,000
2007	\$13,264,000	2007	\$1,736,842
2008	\$13,039,906	2008	\$1,902,684
2009	\$7,652,000	2009	\$1,473,684
2010	\$7,657,000	2010	\$2,000,000
2011	\$7,642,000	2011	\$7,094,737
2012	\$7,645,000	2012	\$1,368,421
2013	\$7,657,000	2013	\$2,631,579
2014	\$7,900,000	2014	\$2,632,000
2015	\$7,900,000	2015	\$168,421
2016	\$7,900,000	2016	\$1,789,474
2017	\$7,900,000	2017	TBD
<b>TOTAL</b>	<b>\$132,481,844</b>	<b>TOTAL</b>	<b>\$29,852,842</b>

The Department of the Interior is proud to have been a partner with the American Samoa Government in improving LBJ Tropical Medical Center. There is a great deal that still needs to be done and we look forward to

continuing the work to improve conditions and serve the people of American Samoa.