

The Honorable Lourdes A. Leon Guerrero
Governor of Guam
January 18, 2024
Legislative Hearing on H.R. 6273

I strongly urge the Committee to pass the provision in H.R. 6273 to reauthorize and continue to appropriate annual grants to host communities to defray costs incurred as a result of increased demands placed on health, educational, social, and public safety services due to the COFA agreements. Upon taking office in January 2019, one of my first letters to the U.S. Department of Interior (DOI) stated that the government of Guam would address the methodology concerns Congress had with Guam's annual reports documenting the cost impacts of the Compact of Free Association (COFA).

Knowing in 2019 that negotiations on the economic terms of the COFA agreements would have to begin ahead of the 2023 termination date, I shared the policy points that Guam proposed to be included in the renegotiated compacts. These five policy points hardly varied over the past four years, and the message stayed consistent for every current or incoming legislative or executive official. Topping my list was the need for adequate reimbursement of compact impact costs with a dedicated funding source. Without a seat at the renegotiation table, I took every opportunity to share Guam's needs with those who did have a seat.

Guam's latest unaudited Compact Impact costs for 2022 show that the government of Guam spent more than \$148 million in local funds to live up to the obligations the U.S. has made to the COFA nations. To secure strategic access for U.S. military forces within the FAS boundaries and strategic denial rights that prevent the use of the FAS boundaries by other governments without U.S. consent, the U.S. told the FAS that they could avail themselves of government services when living in the U.S.

Guam is the favored first stop on the migration trail for many FAS islanders. Their presence within our community has been welcomed and challenged as we learn how to strengthen and grow from our shared migration experience. The story is heard across every U.S. community of a struggling immigrant community.

On Guam, low-income families battle with a limited housing market, which is also impacted by the largest peacetime military buildup in America's history. The housing crisis is forcing indigenous families to leave the island because they can no longer afford to own a home here, and many FAS islanders struggle to afford and live comfortably with many individuals in one housing unit. In contrast, a single 18-year-old military soldier can pay \$2,100 monthly to rent a one-bedroom apartment. The Guam Housing and Urban Renewal Authority (GHURA) Housing study also indicates that Guam will need nearly 10,000 new housing units between 2020 and 2025 to accommodate potential demand, household growth, and homeless households re-entering the housing market. Guam's housing crisis is due to the high cost of construction and the lack of housing inventory. More affordable homes must be built quickly to stabilize the critical housing shortage.

Our healthcare workforce grapples with an infant mortality rate among the FAS population that is three times higher than the U.S. national average. The government of Guam began tracking in 2017 why so many infants were dying, and the statistics paint a grim picture of how FAS mothers had high rates of infant deaths due to lack of access to health care. The Guam Department of Public Health & Social Services (DPHSS) Child Fatality Review Report highlights that the government of Guam's locally funded Medically Indigent Program (MIP) can help cover medical expenses for low-income expectant mothers. However, MIP paid low rates, which led to many OB/GYNs not accepting patients with locally funded MIP. Until 2020, FAS young mothers did not have access to Medicaid. We hope to turn our staggeringly high infant mortality statistic around due to Congress allowing FAS islanders to be eligible for Medicaid once again.

The DPHSS also deals with high rates of tuberculosis, including cases of antimicrobial drug-resistant variants of TB. The medicine for this program is mainly purchased with local funds. Guam is on the frontline of challenging, complex public health issues that impact us hard with further adverse consequences to multiple government of Guam agencies. The June 2020 GAO report that the state of Arkansas was so concerned about the high rates of TB among the Marshallese community that they sent Arkansas officials to the Marshall

Islands to conduct screening for active and latent tuberculosis, diabetes, and leprosy.

The Guam Department of Education (GDOE) is the most impacted government agency, which reported spending a little over \$62 million of local funds to educate nearly 7,000 FAS students in School Year 2021-2022. H.R. 1571, also known as the Compact Impact Fairness Act (CIFA), would not cover this cost. The enrollment of FAS students in our schools has been as high as 27% of the entire school population. Multiply your state school population by 27% and then imagine that locally generated funds were paying that obligation every year and have been doing so since the Compacts were first signed in 1982. This number should give you an idea of the magnitude of the unfunded burden Guam has been carrying.

Our public safety agencies, in 2022 alone, expended nearly \$39 million in services to FAS citizens. Our public safety agencies are on the front lines where many FAS islanders are struggling to adjust to their lives in Guam and far too often find themselves in the criminal justice system. Yet, CIFA does not provide a solution to help the government of Guam with the growing costs of its public safety services to FAS citizens.

In multiple letters to executive and congressional leaders, I have stated that Guam has millions of dollars of annual expenses that CIFA will not cover. My office has supported Delegate James Moylan in securing federal funding sources for unfunded local costs due to the COFA agreements. See the table below for a list of some of Guam's local departments and agencies, mainly education and public safety, that spend the most local money to provide services to FAS citizens since I have been in office from FY 2019 to FY 2022. FY 2023 data have not been compiled yet.

AGENCY	FY 22	FY 21	FY 20	FY 19	SUBTOTAL
GDOE	\$62,359,289	\$65,340,153	\$70,973,640	\$72,211,980	\$270,885,062
DPW (bus ops)	\$2,062,596	\$2,096,326	\$1,037,800	\$2,045,781	\$7,242,503
GCC	\$99,917	\$85,718	\$2,879,554	\$3,187,876	\$6,253,065
UOG	\$1,787,068	\$638,350	\$2,014,284	\$1,463,527	\$5,903,229

GPD	\$10,287,942	\$8,752,221	\$8,356,208	\$10,617,570	\$38,013,941
JOG	\$7,092,840	\$4,169,982	\$5,590,248	\$5,943,521	\$22,796,591
GFD	\$6,655,727	\$5,619,652	\$5,130,033	\$4,583,552	\$21,988,964
DOC	\$6,505,207	\$5,411,860	\$2,185,080	\$4,532,470	\$18,634,617
DYA	\$4,447,199	\$3,223,450	\$3,737,595	\$4,779,403	\$16,187,647
OAG	\$2,398,360	\$2,465,072	\$2,992,957	\$2,987,644	\$10,844,033
PDSC	\$1,441,351	\$1,357,853	\$1,117,823	\$1,198,466	\$5,115,493
DMA/OCD	\$0.00	\$0.00	\$120,919	\$75,927	\$196,846
DOAG	\$10,567	\$6,361	\$3,753	\$12,403	\$33,084
FY TOTAL LOCAL FUNDS SPENT	\$105,137,496	\$99,160,637	\$106,015,222	\$113,551,790	\$423,865,145
Compact Impact MANDATORY Funds Received	\$12,532,239	\$12,532,239	\$14,855,958	\$14,855,958	\$54,776,394
Compact Impact DISCRETIONAR Y Funds Received	\$2,088,706	\$1,670,965	\$0.00	\$1,980,000	\$5,739,671

Members of Congress, Guam is dealing with two substantial federal policies: the COFA agreements allowing unrestricted migration from Micronesia and the military build-up of Guam, including the first Marine Corps base built in 68 years and an environmental impact statement (EIS) process underway right now for the feasibility of building up to 20 missile defense sites throughout Guam.

As Guam participates in the defense of the country and the FAS region, we need continued funding, support, and a greater voice where we can say what is working or not and what is about to break and needs attention immediately.

We need to continue the processes we are engaged in with Congress/GAO and DOI to determine the level of funding and support required to ensure that the local people of Guam and the FAS islanders who call Guam their home can lead a peaceful existence together. The impacts on Guam are more significant than those impacting anywhere else in the country. Multiply 18.5% by every affected state population, and you will understand the magnitude of what Guam is dealing with. Chairman Westerman, the GAO stated your FAS population to be nearly 6,000 between 2013 to 2017. Thus, your state of Arkansas would have to have at least 567,530 FAS islanders in Arkansas to feel the impact that Guam bears.

It stands to reason that since Guam's impacts are so significantly huge, finding and fixing them would be arduous and time-consuming. We are inventing the wheel for calculating the impacts of legal migration to U.S. host communities.

To continue the process we are engaged in, I ask Congress to continue the language concerning the intent of Congress, Compact Impact reimbursement, the definition of a FAS islander to be counted for impacts, debt relief, census taking, commitment to fund medical facilities and reporting of impacts in Section 104(e) of U.S. Public Law 99-239 and U.S. Public Law 108-188. The U.S. Congress has yet to reimburse Guam for actual expenditures relating to costs incurred from the COFA agreements, as DOI and Congressional leaders have concerns about the methodology to compile Guam's statistics. It has been represented to us that if we fix the methodology, we will have a better chance of having our Compact costs reimbursed by Congress.

My administration submitted a grant to DOI and secured funding that would enable the government of Guam to submit audited annual reports for reimbursement using an accepted methodology that showcases only the locally generated funds used to provide needed services to the FAS population.

We are informed by and complying with the dictates of numerous GAO reports. One of the guidelines that has been the most difficult to comply with, according to the University of Guam (UOG), which is administering the grant, is how to calculate the positive impacts to a local government by FAS islanders who are working in the economy paying taxes and buying goods and services. UOG has

reported a 90% completion of their preliminary review of the government of Guam agency data and intake forms.

We have worked with DOI and our subject matter expert/consultant on crafting a new process that will enable the government of Guam to capture more information on the impacts of the compacts. We will soon be able to use our revised methodology to measure the impacts of the FAS population living and working in Guam because of the COFA treaties with the US.

Once it is totaled up, we anticipate that the government of Guam will still be adversely affected by the COFA agreements, expending nearly \$150 million annually in locally generated funds. The compact impact reporting pathway that winds from Guam to DOI to Congress must be maintained so Guam can submit a report of impacts for reimbursement. Our preferred course of action is to deal with this matter within the U.S. system.

In 1985, with the passage of the first COFA agreements, the language in U.S. Public Law 99-239 stated, “The Congress hereby declares that if any adverse consequences To United States territories, commonwealths or the State of Hawaii result from implementation of the Compacts of Free Association, the Congress will act sympathetically and expeditiously to redress those adverse consequences.”

In 2003, in U.S. Public Law 108-188, the United States Congress stated, ‘In reauthorizing the US-FSM Compact and the US-RMI Compact, it is not the intent of Congress to cause any adverse consequences for an affected jurisdiction.’

Guam is the most affected jurisdiction in the country, and our adverse consequences will not be solved solely with the passage of CIFA. We ask that Congress update Section 104(e) and live up to the federal government’s commitment to not negatively impact Guam with the implementation requirements of the COFA treaties. We ask that Congress pass the provision in H.R. 6273 to provide funding to Guam for the compact impact costs we incur due to the U.S. treaty obligations to the FAS.