

Response from Governor Lou Leon Guerrero to Questions from Democratic Members  
*Policy Priorities for the Administration's FY 2021 Budget for the Insular Areas*  
February 25, 2020

Response to Representative Neguse's Question:

- 1) A. Funding under the Coral Reef Initiative is a major pillar of Guam's coral reef protection, resiliency, and restoration efforts. This drastic reduction coral reef funding would severely impact efforts to cope with major losses to Guam's coral reefs as a consequence of the impact of invasive species and coral bleaching events caused by climate change including the loss of 1/3 of all shallow corals around the island.  
B. Given the enormity of the challenge for habitat ecosystem management to address the consequences of invasive species and climate change, increased technical and funding support from the federal government is sorely needed.  
C. The support provided by the Department of Interior to address these issues is greatly appreciated. Additional funding support though is needed to advance local efforts with respect to soil and coastal erosion, coral reef restoration, as well as the increasing adverse impact of invasive species

Responses to Representative Sablan's Questions:

- 1) The relationship between the Executive Branch and Guam has been good during my first year in office. We have no expectations that all concerns we have raised will see immediate resolution. However, we find that there is a level of engagement that we believe is sincere in nature.
- 2) We are thankful to Congress's action that has changed the cap and matching requirement for Guam under the Medicaid program. Guam would like Congress to a) pass legislation that reimburses mirror-code jurisdictions that are required to provide the Earned Income Tax Credit; Guam's estimated annual costs is estimated at \$60 million, b) provide a solution for Guam to regain access to foreign labor, and c) address Guam's annual public expenditure of \$150 million attributed to effects of the free migration provisions of the Compacts of Free Association with the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.
- 3) Yes, we need more assistance to reduce Guam's reliance on fossil fuels and to increase our utilization of alternative forms of energy both at the residential and commercial levels.
- 4) In 2016, DOI provided a \$50,000 Technical Assistance Program grant to address Guam's climate change concerns with respect to Guam. This has been utilized for several projects including: vulnerability analysis of built environments at coastal bays, multi section resiliency workshops, a pilot climate GIS Project, all planners Climate

Training Workshops , and the update of Guam's Storm Water Management Plan for climate change impacts.

- 5) Guam is in favor of the passage of federal legislation that would require mirror-code jurisdictions to be reimbursed by the federal government for carrying out implementing the Earned Income Tax Credit.
- 6) The new funding is being used to Increase the Guam Medicaid Poverty level to reduce the uninsured population on Guam and reduce the only Government Hospital's outstanding receivables, thereby improving its service delivery. Additionally, we will amend the Medicaid State Plan to cover all medically necessary cardiac related devices, such as watchman device, implantable cardioverter-defibrillator, other FDA approved cardiac implants, and also to cover prosthetic device (Knee and hip replacement). We are also exploring the possibility of increasing the provider fee schedule to increase provider participation.
- 7) I am in favor of increasing OIA's budget that provides territorial assistance in the areas of Technical Assistance, Maintenance Assistance, and Energizing Insular Communities. We recommend a change to the current process of allocating technical assistance funding whereby a set amount is allocated to each insular area versus OIA prioritization or a "first come, first served basis" would give our governments more access and control over these limited financial resources. It should be noted that, based on information in DOI OIA's FY2020 and FY2021 Budget Justification documents, technical assistance funding is typically via direct grants to insular areas or through "TAP Crosscutting" programs which benefits multiple insular areas (e.g., Close Up and Junior Statement Foundations, the Graduate School USA programs, etc.). However, in FY2018 and FY2019, it appears that approximately \$2M and \$3M in technical assistance funding respectively was redirected to specific insular areas for disaster relief efforts. Perhaps OIA lobbying for more funding support for the insular areas from the Federal Emergency Management Agency and other federal agencies, would safeguard already-limited technical assistance funding for our insular governments.
- 8) As I mentioned in my December 2019 memorandum to Assistant Secretary for Insular and International Affairs, Douglas Domenech, our island should not be penalized \$12M for technical error that was not of our doing. This need to maintain Guam's Compact Impact Assistance allocation through FY2023 is especially important considering our long-standing position that our government is already grossly under-compensated in the areas of health, safety and education as a result of the Compact of Free Association between the U.S. and the FSM and RMI. With that said, I'll defer to the Committee on Natural Resources on identifying a viable source of funding to provide to the State of Hawaii.
- 9) -END-