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GOVERNOR



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**UFISINAN I MAGA'HĀGAN GUĀHAN**  
OFFICE OF THE GOVERNOR OF GUAM

May 16, 2022

The Honorable Raúl Grijalva  
Chairman  
House Committee on Natural Resources  
1324 Longworth House Office Building  
Washington, D.C. 20515

**RE: Department of Interior Office of Insular Affairs FY 2023 Budget Request**

*Håfa Adai* Chairman Grijalva:

Thank you for the opportunity to provide testimony on the Fiscal Year 2023 Budget Request of the Department of Interior's Office of Insular Affairs (OIA). After reviewing the provisions of the OIA's Fiscal Year 2023 Budget Request, my office makes the following recommendations:

**Increase in Capital Improvement Grants**

Before COVID-19, Guam had limited health care capacity, and at the height of the pandemic, resources were stretched even thinner. The pandemic made it clear that *now* is the time to build a new hospital. The Guam Memorial Hospital (GMH) is in dire need of a new facility. It is on the verge of infrastructural failure due to its age, environmental exposure, and lack of financial resources over the years for critical repairs. In 2019, an assessment conducted by the U.S. Army Corps of Engineers, funded by the Department of the Interior's OIA, recommended the replacement of the hospital's facilities to ensure accreditation compliance at an estimated cost of \$743 million.

As a nurse by profession, I understand the urgency of prioritizing our health care systems and facilities. Additionally, as Guam holds the highest military enlistment rate per capita in the nation and is home to more than 8,000 veterans, we plan to install a veteran-dedicated wing within the new hospital. Guam does not have a Veterans Affairs hospital, and the nearest one is more than 3,000 miles away, so this is a necessary step to ensure that our service members receive critical health care services. Last year, the House of Representatives passed the Build Back Better Act, which included an allocation of at least \$347 million for Guam's new public hospital. While the Act has not passed the Senate, I request that Guam's allocation for capital improvement funding be increased in order to provide the financial backing necessary to help fund this project.

**Increase in Technical Assistance Grants**

In addition to the construction of a new hospital, Guam continues to pursue ways to improve the efficiency and quality of its healthcare system. We are looking to establish the island's first-ever Health Information System to create an integrated healthcare network among both public and private healthcare facilities. The COVID-19 pandemic has underscored the importance of having

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timely access to patient health records when being treated for life-threatening conditions. Therefore, we request for an increase in funding under the OIA's Technical Assistance Program. The government of Guam intends on requesting grant funding for the development of our health information system.

### **Increase in Compact Impact Discretionary Funds**

The government of Guam requests for a greater increase in Compact Impact discretionary funds. While Guam remains supportive of a US-FAS relationship, it is important to recognize and mitigate the adverse effects that the current stipulations of the COFA agreements continue to have on Guam's infrastructure and social services.

#### Education System Impact

The Guam Department of Education (GDOE) provides K-12 educational services to FAS citizens. In 2019, FAS students comprised about 26% of GDOE student enrollments. Unfortunately, inadequate reimbursements for the cost of providing educational services has resulted in the government of Guam absorbing over 80% of educational expenses alone. In FY2017, the government of Guam expended \$72 million in COFA education expenses yet received only \$13 million in total COFA reimbursements.

In 2020, the U.S. Government Accountability Office (GAO) released a report entitled, "Compacts of Free Association: Populations in US Areas Have Grown, with Varying Reported Effects," which noted that "Guam reported \$1.2 billion in total estimated compact impact costs." The report also stated that Guam was only provided \$259.7 million in compact impact grants to "defray costs due to the residence of compact migrants," meaning that Guam only received about 20% of the funds owed to it by the federal government.

#### Justice System Impact

Many COFA citizens have difficulty transitioning into Guam's system of government despite being eligible for all social and public services. As a result, we have observed the rising trend of COFA citizens in our justice system for arrests and incarcerations among both youth and adults. More funding can help Guam develop and support more transition and educational programs for COFA migrants to ensure that their move to Guam is worthwhile and gainful. Additionally, as COFA renegotiations Guam's involvement in COFA negotiations would help to benefit COFA migrants and the greater island community and greatly facilitate migrants' successful integration.

*Si Yu'os ma'åse* for the opportunity to provide testimony on behalf of the government of Guam and requestfully ask for your consideration of our requests.

*Senseremente,*



**LOURDES A. LEON GUERRERO**

*Maga'hågan Guåhan*  
Governor of Guam