



I MINA'TRENTAI SIETTE NA LIHESLATURAN GUAHAN | 37TH GUAM LEGISLATURE

Office of Senator Frank F. Blas Jr.

Suite 502, DNA Building, 238 Archbishop FC Flores St. Hagatna GU 96932

☎ (671)969-6456 ✉ office@senatorfrankblas.com

April 24, 2023

Honorable Lourdes A. Leon Guerrero
I Maga'Hagan Guåhan
Office of the Governor
Ricardo J. Bordallo Governor's Complex
Adelup, Guam 96910

Re: Discontinuance of Compact Impact Funding

Dear Governor Leon Guerrero,

Buenas yan Hafa Adai! The Biden Administration has submitted their Fiscal Year 2024 Budget proposal to Congress that does not include Compact Impact funding for areas impacted like Guam and also discontinues the smaller discretionary supplement that had been available to us as well. The justification for the discontinuance was to work towards allowing Compact migrants to become eligible for key Federal social safety net programs while residing in the United States as a long-term solution to the financial impacts on state and territorial governments. This is a major blow for us.

For many years, former Senator Carlotta Leon Guerrero and then I have been critical and worked many avenues to address the perennial shortage in the Federal Government's reimbursement of our Compact Impact expenditures. Now with the Biden Administration's proposal to completely eliminate any reimbursement and discretionary funding opportunity, this places the burden of the migrant services squarely and entirely on our laps. Although menial when compared to what are actual annual costs are, the \$12 Million to \$16 Million that Guam had gotten annually helped to defray the costs being incurred to provide health, educational, social, and public safety services to Compact migrants. Furthermore, a major portion of the annual reimbursement was pledged toward the payment of the leasebacks for Adacao Elementary School, Liguán Elementary School, Astumbo Middle School, and Okkodo High School.

In a report published by the Department of Interior's Office of Insular Affairs entitled "Budget Justifications and Performance Information Fiscal Year 2024" (<https://www.doi.gov/sites/doi.gov/files/fy2024-oia-greenbook.pdf-508.pdf>), it provides that the Biden Administration's FY2024 request for Compact Impact Assistance and Compact Impact Discretionary Funding are both Zero. The FY2023 appropriations were Thirty Million Dollars (\$30,000,000) for the cost assistance and Six Million Dollars (\$6,000,000) for the discretionary funding.

I acknowledge that the monies received from the two programs are used at the discretion of the Governor. However, in years past, the money was allocated not just for the school lease payments, but also to pay for much needed programs and services that would have otherwise been

funded by local money. Now with the absence of these funds, any obligations tied to them will be a burden on an already strained General Fund, of which has never received full relief and reimbursement for the actual impact costs.

The loss of this funding comes at a very inopportune time as our island is struggling to recover from the devastating economic effects of the COVID-19 pandemic. Complicated even further by rising costs, increasing crime, a flailing healthcare system, and deteriorating conditions in our schools, the money could have helped in addressing these issues, most especially with the services provided to Compact migrants.

While the Biden Administration has stated that re-implementation of the funding will be revisited after the Compact negotiations are completed, it is discerning to see that President Biden has ignored the challenges that jurisdictions with significant migrant populations such as ours continue to have in fulfilling *their* promise of educational advancement, gainful employment, and necessary healthcare. The negotiation process should not have negated the reimbursement for or the financial assistance to continue to provide “promised” services to Compact migrants. While the funding was being provided to defray costs associated with the expiring agreement between the United States and the Freely Associated States, it is not an item included in their negotiations and should not be contingent on the agreement, unless it fails and results in the return of the migrants to their countries. Furthermore, the statement that the re-implementation will be revisited provides no assurance that the funding will be reinstated or that it will even be considered. As such, it is apparent that any communications that your administration should have had with this President and his administration concerning this matter has either fallen on deaf ears or discounted as being relevant or important.

Please appreciate the fact that I have gone to great lengths to temper my disappointment and ire in both the Biden administration’s decision and your administration’s acceptance of the decision to discontinue the funding. At a time when we are being depended upon to shoulder the brunt of the national defense interests in the Indo-Pacific region and being ignored in our desire to improve our political relationship with the United States, this decision flies in the face of your assertion of an engaged and encouraging relationship with the President and his administration. I pray that the President’s decision to cut this funding that we need is just as concerning and disappointing to you as it is to me. And if so, I pledge to work with you towards getting it restored as well with other matters that could adversely affect the welfare of our people.

Respectfully,



FRANK F. BLAS, JR.
Senator

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cc: Guam’s Representative to U.S. Congress
All Senators, 37th Guam Legislature
All Media