

Governor Lou Leon Guerrero's Responses to Questions for the Record
Jan. 18, 2024 Indian and Insular Affairs Subcommittee Hearing on H.R. 6273

Questions from Rep. Westerman for The Hon. Lourdes Aflague Leon Guerrero, Governor, Guam

1. Lead-up: There are significant concerns about enacting laws that prevent citizens of the Freely Associated States (FAS) from obtaining residency in Guam as that would violate the terms of the Compacts of Free Association.

Question: Do you believe in the importance of the Compacts of Free Association and the benefits they provide for all of us Americans, both here in the states and in the territories?

- During the Pacific battles of World War II, the United States learned how important it is to keep these islands and sea lanes open and free. The Compact nations' EEZs encompass the largest and most significant trading routes between the populous manufacturing countries of Asia and the rest of the world. I recognize that it is vitally important for the United States that the enduring relationship with the Compact nations is nurtured and strengthened through the COFAs.

Follow-up: Would it be fair to say that it is important to both honor the terms of these international agreements while finding ways to help address Guam's needs?

- The federal government must provide adequate funding to host communities such as Guam to help cover Compact Impact costs caused by providing local government services such as education and public safety that the Compact Impact Fairness Act will not cover. The Pacific, including allies and adversaries, will be looking at how Guam and the COFA nations are treated in the United States' push to strengthen its Pacific footprint and relationships. I am confident that the federal government can both honor the terms of the COFA and find ways to help address Guam's needs, including providing funding for Compact Impact costs by reauthorizing Compact Impact grants to host communities.

Questions from Rep. Westerman for The Hon. Lourdes Aflague Leon Guerrero, Governor, Guam

2. Question: How has Guam used the Compact Impact grant funds provided under the 2003 Compacts of Free Association?

COMPACT IMPACT ASSISTANCE GRANTS: FY 2004 TO FY 2008

Compact Impact Assistance Grant Projects (P.L. 108-188) FY2004-2008				
Grant Year	Agency	Project	Total Grant	
FY 2004	DOC	Fire system	300,000	
	DPHSS	Pharmaceuticals and medical supplies	1,800,000	
	DPHSS	Renovation and equipment	764,238	
	DPW	School buses	3,200,000	
	GMHA	Facilities improvement	1,500,000	
	GMHA	Pharmaceuticals and medical supplies	3,584,010	
	GPD	Facilities improvement and equipment	2,837,000	
	GFD	Equipment	257,074	
			Subtotal	\$14,242,322
		GMHA	Operational and Feasibility Studies [1]	(286,657)
		FY Total	\$13,955,665	
FY 2005	PW (GMLF	Governor's Municipal Leasing Plan (Schools)	6,100,000	
	GMHA	Medicine, supplies and imaging equipment	2,211,600	
	GMHA	Pharmaceutical supplies	3,005,000	
	DMHSA	Therapeutic Group Home acquisition	916,000	
	DMHSA	Permanent Injunction / Therapeutic Group Home	412,000	
	DPW	Heavy equipment	509,717	
	GFD	Fire Rescue Pumpers/Fire Rescue Boat	538,005	
	DYA	Renovations, furniture/equip., passenger vans.	350,000	
	GPD	Motorcycle parking shelter and ballistic vests	200,000	
			Subtotal	\$14,242,322
FY 2006	DMHSA	Building Improvement and Equipment	800,000	
	DISID	Permanent Injunction	1,000,000	
	GMHA	Pharmaceutical Supplies and Equipment	1,629,014	
	GMHA	Medical Personnel and Equipment	2,478,986	
	DPW	Governor's Municipal Leasing Plan (Schools)	6,100,000	
	GMHA	Diabetes Program	150,000	
	DPHSS	Pharmaceuticals	400,000	
	DPHSS	Building Upgrade	600,000	
	DMHSA	Psychotropic Medication	200,000	
	AGRI	Stray Animal Enhancement	78,000	
DMHSA	Permanent Injunction	806,322		
		Subtotal	\$14,242,322	
FY 2007	DPW	Governor's Municipal Leasing Plan (Schools)	6,100,000	
	GMHA	Pharmaceutical Supplies and Equipment	6,242,322	
	DPHSS	Pharmaceutical Supplies and Equipment	500,000	
	DISID	Permanent Injunction	500,000	
	DOC	Phase II Fire Alarm/Sprinkler System	500,000	
	DMHSA	Psychotropic Medications	171,000	
	DMHSA	Vendor Payables (Latte Treatment)	229,000	
			Subtotal	\$14,242,322
FY 2008	DPW	Governor's Municipal Leasing Plan (Schools)	6,100,000	
	GMHA	Pharmaceutical Supplies and Equipment	5,000,000	
	GMHA	Pharmaceutical Supplies and Equipment	1,992,303	
	DPHSS	Pharmaceutical Supplies and Equipment	500,000	
	DISID	Permanent Injunction	500,000	
	(DOI Reserve	Census of Micronesians	150,019	
		Subtotal	\$14,242,322	

COMPACT IMPACT ASSISTANCE GRANTS: FY 2009 TO FY 2013

Compact Impact Assistance Grant Projects (P.L. 108-188) FY2009-2013			
<u>Grant Year</u>	<u>Agency</u>	<u>Project</u>	<u>Total Grant</u>
FY 2009	DPW	Governor's Municipal Leasing Plan (Schools)	6,100,000
	DPW	School Leasing Plan - Collateral Equipment	1,000,000
	GMHA	Pharmaceutical Supplies and Equipment	3,142,322
	DPHSS	Pharmaceutical Supplies and Equipment	500,000
	DISID	Permanent Injunction Projects	500,000
	DMHSA	Building Construction Projects	500,000
	DPW	Heavy Equipment (Packer Trucks)	500,000
	GFD	Fire Trucks (including repair) / Rescue Boad	1,000,000
	GPD	Forensic Lab Equipment	1,000,000
		Subtotal	
	GMHA	Operational and Feasibility Studies [1]	286,657
		FY Total	\$14,528,979
FY 2010	DPW	Governor's Municipal Leasing Plan (Schools)	6,100,000
	DPW	School Leasing Plan - Collateral Equipment	1,000,000
	GMHA	CIP and Equipment Procurement	3,500,000
	GMHA	Pharmaceutical Supplies and Equipment	1,000,000
	DPR/GHUF	Northern Sports Recreation Complex	2,700,000
	GFD	Equipment Procurement (Fire Pumper Trucks)	750,000
	GPD	Equipment Procurement (Patrol Vehicles)	527,026
	DPHSS	Pharmaceutical Supplies	500,000
	DMHSA	Permanent Injunction Projects	500,000
	DYA	Building Renovations / Equipment	250,000
	Subtotal		\$16,827,026
FY 2011	DPW	Governor's Municipal Leasing Plan (Schools)	6,100,000
	DPW	School Leasing Plan - Collateral Equipment	1,000,000
	UOG	A/E School of Engineering and Student Center	1,400,000
	GMHA	Medical Equipment	2,500,000
	DPHSS	Medical and Pharmaceutical Supplies	750,000
	DOC	Electronic Cell Locking System Upgrade	300,000
	DYA	Facilities Improvement	250,000
	Judiciary	Case Management System	3,777,026
	DOC	Emergency Generators	500,000
	DISID	Permanent Injunction Projects	250,000
	Subtotal		\$16,827,026
FY 2012	DPW	Governor's Municipal Leasing Plan (Schools)	6,100,000
	DPW	School Leasing Plan - Collateral Equipment	1,000,000
	GMHA	Operations Offset	4,142,026
	DOC	Operations Offset	3,525,000
	MCOG	Facility Renovations & Repairs	500,000
	GFD	Operations Offset	1,560,000
	Subtotal		\$16,827,026
FY 2013	PW / DO	Governor's Municipal Leasing Plan (Schools)	6,100,000
	DPW / DO	School Leasing Plan - Collateral Equipment	1,000,000
	GMHA	Operations Offset - Pharmaceutical and Equipment [2]	8,500,000
	GPD	Operations Offset (Police vehicles)	377,026
	DPW	Bus Satellite Facility Repairs	350,000
	BSP	Centralized Data Center Project	300,000
	DISID	Individualized Budget Program (IBP) Project	200,000
	Subtotal		\$16,827,026

COMPACT IMPACT ASSISTANCE GRANTS: FY2014 TO FY2018

Compact Impact Assistance Grant Projects (P.L. 108-188) FY2014-2018			
<u>Grant Year</u>	<u>Agency</u>	<u>Project</u>	<u>Total Grant</u>
FY 2014	DPW/ DOE	School Leaseback Program - School Construction & Collateral Equipment	7,100,000
	GMHA	Operations Offset (Inclusive of \$2M for Financing)	3,000,000
	DOC	Operations Offset (Corrections Officers & Overtime)	950,000
	DPW	Vehicle Procurement & Road Repairs	1,500,000
	UOG	Operations Offset - Facilities Maintenance & Repair	1,000,000
	GPD	Operations Offset (20 Police Recruits)	800,000
	DPHSS	Operations Offset (Pharmaceuticals & Medicaid Match)	800,000
	DOE	Operations Offset (Computer Procurement)	417,026
	GFD	Operations Offset (Ambulance Procurement)	60,000
	DPR	Paseo Park & Recreation Area Repairs	500,000
	GBHWC	Operations Offset	290,000
	MCOG	Emergency Road Repairs & Flooding	410,000
		Subtotal	\$16,827,026
FY 2015	DPW/ DOE	School Leaseback Program - School Construction & Collateral Equipment	7,100,000
	DPHSS	Operations Offset (Foster Home/Medicaid Match/Operations)	4,200,000
	GMHA	Operations Offset (Inclusive of \$2M for Financing)	3,000,000
	DOE / DPW	Operations Offset (Bus Shelters)	606,671
		Subtotal	\$14,906,671
FY 2016	DPW/ DOE	School Leaseback Program - School Construction & Collateral Equipment	7,100,000
	DOC	Operations Offset (Civil Case: DOC - \$1,974,088 and MOU with GMHA \$3,375,146)	\$5,349,234
	GMHA	Operations Offset (\$2M Financing and CIPs)	\$2,257,437
	Governor's Offc	Operations Offset (GMHA Operations Assessment)	\$200,000
		Subtotal	\$14,906,671
FY 2017	DPW/ DOE	School Leaseback Program - School Construction & Collateral Equipment	\$6,665,250
	Governor's Offc	General Operations Offset	\$8,064,031
	(DOI Reserve)	Compact of Free Association (COFA) 2018 Census Survey	\$177,390
		Subtotal	\$14,906,671
FY 2018	DPW/ DOE	School Leaseback Program - School Construction & Collateral Equipment	\$6,661,550
	Governor's Offc	General Operations Offset	\$8,245,121
		Subtotal	\$14,906,671

COMPACT IMPACT ASSISTANCE GRANTS: FY2019 TO FY2022

Compact Impact Assistance Grant Projects (P.L. 108-188) FY2019-2022			
<u>Grant Year</u>	<u>Agency</u>	<u>Project</u>	<u>Total Grant</u>
FY2019	DPW/DOE	School Leaseback Program - School Construction & Collateral Equipment	\$5,736,250
			\$9,119,708
	Governor's Office	General Operations Offset	Subtotal \$14,855,958
FY2020	DPW/DOE	School Leaseback Program - School Construction & Collateral Equipment	\$5,741,000
			\$9,114,958
	Governor's Office	General Operations Offset	\$14,855,958
FY2021	DPW/DOE	School Leaseback Program - School Construction & Collateral Equipment	\$5,737,500
			\$6,794,739
	Governor's Office	General Operations Offset	Subtotal \$12,532,239
FY2022	DPW/DOE	School Leaseback Program - School Construction & Collateral Equipment	\$5,735,750
			\$2,959,067
	Governor's Office	General Operations Offset	\$3,837,422
	DPR/DPW	(FY18 Island-Wide Gyms, Rec. Centers & Restrooms)- Supplemental	Subtotal \$12,532,239
GRAND TOTAL GRANT FUNDS			\$283,992,140

Source: Bureau of Budget and Management Research
 [1] Re-obligation of funds from closed FY 2004 grant projects (\$286,657)
 [2] Inclusive of vendor payables

COMPACT IMPACT SUPPLEMENTAL DISCRETIONARY FUNDS

<u>Grant Year</u>	<u>Department/Project</u>	<u>Amount</u>
2022	Guam Department of Education Operations Offset	\$2,088,706
2021	Guam Department of Education Operations Offset	\$1,670,965
2020	Guam Department of Education Operations Offset	\$0
2019	Guam Department of Education Operations Offset	\$1,980,000
2018	Guam Department of Education Operations Offset	\$2,164,545
2017	Guam Department of Education Operations Offset	\$ 1,491,000
2016	Guam Department of Education Operations Offset	\$ 1,491,000
2015	Guam Department of Education Operations Grant	\$ 1,491,000
2014	Guam Department of Education Operations Grant	\$ 1,682,700
2013	Guam Department of Education Operations Grant	\$ 2,800,000
2012	Guam Department of Education Operations Grant	<u>\$ 2,800,000</u>
	TOTAL	\$19,659,916

Follow-up: What impact would it have on Guam and its communities if they were not renewed?

- If the Compact Impact grants are not renewed, the government of Guam would have to bear the entire cost of providing local government services to Compact migrants. For the latest year, Fiscal Year 2022, the government of Guam spent over \$148 million providing health, educational, social, and public safety services to Compact migrants. This significant financial burden on our government coffers adversely affects how we budget and spend our local money.

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3. Question: In what ways have the migrants from the FAS positively benefited Guam?

- DOI grant funds have been subgranted to the University of Guam (UOG) to address the GAO's concerns with an expected deliverable of the methodology and cost benefit analysis. The DOI grant has been extended with a new performance end date of September 30, 2024. UOG has reported a 90 percent completion of their preliminary review of the government of Guam agency data and intake forms. One of the major components is featured to achieve overall estimates of the benefits and costs of migrants. The UOG has secured the Input-Output (I/O) analysis using the IMPLAN economic model. This economic model will allow users to conduct economic impact analysis for planning purposes. The IMPLAN software application will support the framework to conduct an analysis of economic impacts. The Guam IMPLAN hybrid model profiles DOI payments, local government spending, and the creation of jobs. The development of the model format includes the construction of an Excel benefit-cost template to identify the baseline and scenario changes related to programs and services for the compact migrants to Guam. The extension of the project has allowed UOG to meet the project deliverables of producing a methodology in computing the financial impacts for servicing COFA residents and the cost-benefit analysis.
- Individuals and families from the Compact nations utilize the Compacts to further their economic advancement and enhance the quality of their lives, and in doing so, they often become important members of the host communities. Our labor force depends on the Compact nations' workers, who play a vital role in every job category and industry. Islanders from the Compact nations bring cultural diversity to every setting, be it the classroom, job site, church, sports, or neighborhood.