



COMPACT IMPACT RELIEF ACT

Original Cosponsors:

- Congresswoman Colleen Hanabusa (D-HI)
- Congresswoman Tulsi Gabbard (D-HI)
- Congressman Gregorio Kilili Camacho Sablan (D-NMI)

Background: The [Compacts of Free Association](#) between the United States and the three Freely Associated States (FAS) of the Marshall Islands, the Federal States of Micronesia, and Palau permit FAS citizens to live and work in the United States without limitation.

Since 1986, more than 75,000 FAS citizens have migrated to the United States, mainly to nearby Guam and Hawai'i. Communities of Compact migrants living in the United States have [very substantial needs](#) for public social services—including healthcare, education, and housing—straining already limited territorial, state, and local resources.

Congresswoman Bordallo's *Compact Impact Relief Act* proposes several practical changes to federal programs to help alleviate costs borne by local jurisdictions, which are required by federal law to provide local public services to Compact migrants.

SECTION-BY-SECTION SUMMARY

Section 1 (Title/TOC): Table of Contents for the *Compact Impact Relief Act*.

Section 2 (FMAP): Establishes a new U.S. Department of Health and Human Services formula managed to increase the Federal Medical Assistance Percentage (FMAP) for affected jurisdictions under the Medicaid program. This change would permit Guam and other affected jurisdictions to apply the cumulative amount spent providing local public services to Compact migrants toward the required non-federal portion of providing Medicaid to local residents. This provides another budget-friendly way to compensate affected jurisdictions for costs associated with Compact migrants, unreimbursed by the federal government, and improve healthcare delivery under Medicaid to Americans.

Section 3 (ESSA): Classifies FAS schoolchildren as "[federally connected students](#)" to make the local schools serving them eligible for impact aid funding from the U.S. Department of Education (USED). Current law requires the federal government to provide impact aid to help

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offset the costs incurred by local school districts that serve [federally connected students](#), such as schoolchildren living on property tax-exempt tribal lands, military bases, and federally subsidized low-income housing.

Importantly, Congresswoman Bordallo's bill authorizes additional funding so that USEd aid for FAS students does *not* take away much-needed resources from school districts receiving federal impact aid currently.

Section 4 (National/Community Service): Amends federal laws regarding national service programs to allow FAS citizens residing in territories, Hawai'i, and the mainland United States to be eligible for national and community service programs like [AmeriCorps](#) and the [Youth Conservation Corps](#) on federal public parklands. This expands upon Congresswoman Bordallo's *National Community Service Improvement Act of 2015*.

Section 5 (Independent Study): Commissions an independent study on the current Compacts of Free Association with policy recommendations, given that U.S. funding to the three Freely Associated States (FAS) is set to expire at the end of fiscal year 2023. While important to American strategic interests in Asia-Pacific region, [Congresswoman Bordallo has long been concerned](#) about the burdens placed on Guam and other local jurisdictions required to accommodate Compact migrants. This study would provide an authoritative review of the existing Compacts and set forward a clear path as the Executive Branch looks to renegotiate the Compacts in the coming decade.

The [2018 National Defense Authorization Act \(NDAA\)](#), which Congresswoman Bordallo helped to finalize, includes a provision requiring a separate U.S. Department of Defense (DOD) study on the FAS, specifically the growing influence of China and other foreign powers. The study called for in Congresswoman Bordallo's bill would provide a comprehensive assessment of the *domestic* implementation of the Compacts, including impacts on affected jurisdictions like Guam, complementing the DOD study on U.S. strategic interests in the Asia-Pacific region related to the FAS required by the 2018 NDAA.

Section 6 (Census Enumeration): Ensures that the 10-year census counts Compact migrants residing in the United States, including for the upcoming 2020 census. This up-to-date headcount will help the U.S. Department of the Interior to award [Compact impact funds](#) more accurately to Guam, other affected jurisdictions, and states nationwide with growing Compact migrant communities. The bill also ensures that this new census requirement does not duplicate the Interior Department's 5-year enumeration of FAS citizens residing in Hawai'i, Guam, the CNMI, and American Samoa, as required by federal law ([Public Law 108-188](#)).

Section 7 (Economic Analysis): Provides explicit Congressional authorization for the federal [Bureau of Economic Analysis](#) to complete annual economic assessments for affected jurisdictions (Guam, CNMI, Hawai'i, American Samoa) under the Compacts and the three Freely Associated States, including gross domestic product (GDP) and foreign direct investment (FDI).

Requires the Bureau of Economic Analysis to examine, specifically, Compact migrants' impact on labor markets, wages, unemployment, and availability of public services in Guam and other affected jurisdictions. At present, Guam and many other U.S. territories lack capacity to generate these economic analyses internally and need federal expertise.

In addition to providing reliable economic data, Congresswoman Bordallo's intent is for this economic analysis to provide an independent, comprehensive assessment that GovGuam and the U.S. Department of the Interior can use to fully and accurately account for Compact impact costs. At present, there is a wide disparity between GovGuam's and the Interior Department's estimates for Compact impact costs, resulting in much less federal funding for Guam than is needed. There is also no agreed upon methodology for assessing the economic costs of Compact migrants.

Section 8 (Pacific Islanders & Insular Areas Health Data): Directs the U.S. Department of Health and Human Services to develop a national strategy for the health needs of Native Hawaiians and other Pacific Islanders, including Guam's Chamorro residents and Compact migrants. There is [wide recognition](#) that current datasets do not account for Pacific Islanders' unique health issues and that applying mainland datasets fails to accurately account for the needs of islander communities. Also requires a National Academies of Sciences study on healthcare in the Insular Areas

Congresswoman Bordallo's intent is that improved data on Native Hawaiians and other Pacific Islanders ([NHOPH](#)) will improve healthcare delivery and provide additional federal support to underserved islander communities across the United States.

Section 9 (Matching Waiver): Expands Insular Areas' long-standing waiver for local matching fund requirement for federal grants. This change recognizes the federal government's special responsibility to the Insular Areas and the reality that those jurisdictions lack the resources available to states. Without this expanded waiver, many federally funded infrastructure and economic development projects in the Insular Areas will remain at a standstill.

Also increases waiver for local matching fund requirement for Guam and other jurisdictions impacted by Compact migrants to account for Compact impact costs unreimbursed by the federal government.

Section 10 (In-Kind Contributions): Allows jurisdictions affected by Compact migrants to satisfy local matching fund requirements for federal grants with "in-kind" public services rendered to Compact migrants residing in those jurisdictions. Affected jurisdictions would also continue to be eligible to satisfy local matching requirements in cash. This was first proposed by the [Territorial Omnibus Act of 2013](#) during the 113th Congress.

Section 11 (WIOA Programs): Amends the federal [Workforce Innovation and Opportunity Act](#) (WIOA) to:

- Allow for federally designated [Job Corps](#) centers for vocational training on Guam, the CNMI, and other U.S. territories. These Job Corps centers would be administered by local nonprofits in partnership with territorial governments and receive federal funding from the U.S. Department of Labor. This change was proposed previously by Congressman Sablan (D-NMI), a member of the House Committee on Education and the Workforce.
- Clarify that Compact migrants residing in the United States are indeed eligible to participate in federally funded workforce development and vocational training programs under WIOA. Current law prohibits barring WIOA program participation on the basis of national origin, which Congresswoman Bordallo clarifies to include non-US citizenship.

Section 12 (SNAP, TANF & SSBG): Ensures that Compact migrants are eligible (and not eligible) for the same means-tested federal assistance programs as other lawful permanent residents of the United States (like green card holders). This technical change ensures that federal assistance may be provided to Compact migrants and their children for the following federal programs upon the request of the governor of Guam or each affected U.S. territory:

- [Supplemental Nutrition Assistance Program](#) (SNAP), commonly referred to as “food stamps”
- [Temporary Assistance for Needy Families](#) (TANF) with dependent children
- [Social Services Block Grant](#) (SSBG)

Importantly, Congresswoman Bordallo’s bill makes clear that any additional federal assistance provided to Compact migrants in affected territories under these programs (SNAP, TANF, SSBG) must be *in addition* to funds already provided for Americans. **This ensures that no federal funding or benefits are taken away from Americans in order to serve Compact migrants.**