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(Original Signature of Member)

114TH CONGRESS
2D SESSION

H. R. _____

To comprehensively address the challenges of providing public services to citizens of the Freely Associated States in the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. BORDALLO introduced the following bill; which was referred to the Committee on _____

A BILL

To comprehensively address the challenges of providing public services to citizens of the Freely Associated States in the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Compact Relief Act
5 of 2016”.

1 **SEC. 2. FMAP ADJUSTMENT FOR AFFECTED JURISDIC-**
2 **TIONS EQUIVALENT TO COMPACT MIGRANT**
3 **EXPENDITURES.**

4 (a) PAYMENT OF INCREASED FMAP.—For calendar
5 quarters beginning on or after January 1 of the first year
6 beginning after the date of the enactment of this Act, the
7 Secretary of Health and Human Services shall increase
8 the FMAP for each affected jurisdiction (without regard
9 for any limitation otherwise specified in section 1905(b)
10 of such Act (42 U.S.C. 1396d(b))) by the number of per-
11 centage points estimated under subsection (d).

12 (b) ESTIMATION OF AMOUNT OF COMPACT MIGRANT
13 EXPENDITURES.—For purposes of subsection (a), not
14 later than 90 days before the beginning of the calendar
15 quarter involved, the chief executive official of the affected
16 jurisdiction shall submit to the Secretary of the Interior
17 an estimation of the amount of compact migrant expendi-
18 tures that will be made by such jurisdiction for such quar-
19 ter.

20 (c) REVIEW BY SECRETARY OF INTERIOR.—Not later
21 than 60 days before the beginning of the calendar quarter
22 involved, the Secretary of the Interior shall review the esti-
23 mation submitted by the chief executive official under sub-
24 section (b), make any appropriate adjustments, and sub-
25 mit to the Secretary of Health and Human Services a final

1 estimated amount of compact migrant expenditures for
2 such quarter.

3 (d) ESTIMATION AND NOTIFICATION BY SECRETARY
4 OF HHS.—

5 (1) IN GENERAL.—The Secretary of Health and
6 Human Services shall estimate the number of per-
7 centage points that the FMAP for each affected ju-
8 risdiction would need to be increased for a calendar
9 quarter to result in an increase in the amount of
10 total Federal payments to the affected jurisdiction
11 under title XIX of the Social Security Act for such
12 quarter that is equivalent to the final estimated
13 amount of compact migrant expenditures submitted
14 under subsection (c) for such quarter.

15 (2) CONTINUED APPLICATION OF LIMITA-
16 TION.—In no case may the increase in the FMAP
17 estimated by the Secretary of Health and Human
18 Services under paragraph (1) result in the payments
19 to an affected jurisdiction under title XIX of the So-
20 cial Security Act that exceed the limitations under
21 subsections (f) and (g) of section 1108 of such Act
22 (42 U.S.C.1308)).

23 (3) NOTIFICATION.—Not later than 30 days be-
24 fore the beginning of the calendar quarter involved,
25 the Secretary of Health and Human Services shall

1 notify each such chief executive official of the in-
2 crease in the FMAP estimated by the Secretary
3 under this subsection for the affected jurisdiction in-
4 volved.

5 (e) RECONCILING AND PAYMENT ADJUSTMENTS.—

6 (1) REPORT BY AFFECTED JURISDICTIONS.—

7 For each calendar quarter in which an increase in
8 the FMAP is made for an affected jurisdiction under
9 subsection (d), the chief executive official for the ju-
10 risdiction shall submit to the Secretary of the Inte-
11 rior an accounting of the total amount of compact
12 migrant expenditures made by such jurisdiction for
13 such quarter. Such accounting shall be submitted in
14 such form and manner as the Secretary, in consulta-
15 tion with the Secretary of Health and Human Serv-
16 ices, shall specify.

17 (2) REVIEW BY INTERIOR.—The Secretary of
18 the Interior shall review each accounting submitted
19 under paragraph (1) for accuracy, make any appro-
20 priate adjustments, and submit a final accounting of
21 the amount of compact migrant expenditures for
22 such quarter for each affected jurisdiction involved
23 to the Secretary of Health and Human Services.

24 (3) ADJUSTMENT BY HHS.—The Secretary of
25 Health and Human Services shall—

1 (A) review whether the increase in the
2 FMAP for each affected jurisdiction under sub-
3 section (a) for a calendar quarter involved re-
4 sulted in an increase in Federal payments to
5 the affected jurisdiction under title XIX of the
6 Social Security Act for such quarter in an
7 amount that is equivalent to the final account-
8 ing of the amount of compact migrant expendi-
9 tures submitted under paragraph (2) for such
10 jurisdiction; and

11 (B) subject to the limitations under sub-
12 section (f) and (g) of section 1108 of such Act
13 (42 U.S.C.1308), shall make appropriate ad-
14 justments to the FMAP for the affected juris-
15 diction for future quarters to account for any
16 overpayment or underpayment occurring as a
17 result of the increase in such FMAP under this
18 section for the quarter involved for that juris-
19 diction.

20 (f) LIMITATION OF FMAP TO 100 PERCENT.—In no
21 case shall an increase in the FMAP applicable to an af-
22 fected jurisdiction under this section result in an FMAP
23 for that jurisdiction that exceeds 100 percent.

24 (g) RULE OF CONSTRUCTION.—This section shall not
25 be construed as treating compact migrant expenditures as

1 medical assistance under title XIX of the Social Security
2 Act.

3 (h) DEFINITIONS.—In this section:

4 (1) AFFECTED JURISDICTION.—The term “af-
5 fected jurisdiction” has the meaning given such term
6 in section 104(e)(2) of the Compact of Free Associa-
7 tion Amendments Act of 2003 (48 U.S.C.
8 1921c(e)(2)).

9 (1) COMPACT MIGRANT EXPENDITURES.—(A)
10 The term “compact migrant expenditures” means,
11 for a calendar quarter with respect to an affected ju-
12 risdiction, the amount of non-Federal funds ex-
13 pended by such jurisdiction for items and services
14 described in section 1905(a) of the Social Security
15 Act (42 U.S.C. 1396d(a)) for qualified non-
16 immigrants (as defined in section 104(e)(2) of the
17 Compact of Free Association Amendments Act of
18 2003 (48 U.S.C. 1921c(e)(2))) and related adminis-
19 trative costs.

20 (B) Such term includes payments made by an
21 affected jurisdiction to health care providers for
22 health care items and services provided to qualified
23 nonimmigrants described in subparagraph (A), if
24 such payment is not made under a State plan under
25 title XIX of the Social Security Act, and such pay-

1 ment is not made from any other source of Federal
2 funds.

3 (2) FMAP.—The term “FMAP” means the
4 Federal medical assistance percentage, as defined in
5 section 1905(b) of the Social Security Act (42
6 U.S.C. 1396d(b)), as determined without regard to
7 this section.

8 (i) CONFORMING AMENDMENT.—Section 1905(b) of
9 the Social Security Act (42 U.S.C. 1396d(b)) is amended
10 by inserting “subject to section 2 of the Compact Relief
11 Act of 2016,” after “ 83 per centum, (2)”.

12 **SEC. 3. PAYMENTS RELATING TO ELEMENTARY AND SEC-**
13 **ONDARY EDUCATION OF CITIZENS OF FREE-**
14 **LY ASSOCIATED STATES.**

15 (a) PURPOSE.—Section 8001 of the Elementary and
16 Secondary Education Act of 1965 (20 U.S.C. 7701) is
17 amended—

18 (1) in paragraph (4), by striking “or”;

19 (2) in paragraph (5), by striking the period at
20 the end and inserting “; or”; and

21 (3) by adding at the end the following:

22 “(6) educate alien children admitted to the
23 United States as citizens of one of the Freely Asso-
24 ciated States.”.

1 (b) PAYMENTS FOR ELIGIBLE FEDERALLY CON-
2 NECTED CHILDREN.—Section 8003(a) of such Act (20
3 U.S.C. 7703(a)) is amended—

4 (1) in paragraph (1)—

5 (A) in subparagraph (F), by striking “or”
6 at the end;

7 (B) in subparagraph (G), by striking the
8 period at the end and inserting “; or”; and

9 (C) by adding at the end the following:

10 “(H) resided in the United States pursu-
11 ant to an admission into the United States as
12 a citizen of the Republic of the Marshall Is-
13 lands, the Federated States of Micronesia, or
14 the Republic of Palau.”; and

15 (2) in paragraph (2), by adding at the end the
16 following:

17 “(G) Multiply the number of children de-
18 scribed in paragraph (1)(H) by a factor of
19 1.25.”.

20 (c) AUTHORIZATION OF ADDITIONAL FUNDS FOR
21 ELIGIBLE FEDERALLY CONNECTED CHILDREN.—Section
22 8014 of such Act (20 U.S.C. 7714) is amended by adding
23 at the end the following:

24 “(h) ADDITIONAL FUNDING FOR ELIGIBLE FEDER-
25 ALLY CONNECTED CHILDREN.—For the purpose of mak-

1 ing additional payments for federally connected children
2 described in section 8003(a)(1) under this title, there are
3 authorized to be appropriated \$10,000,000 for fiscal year
4 2017 and for each succeeding fiscal year.”.

5 **SEC. 4. PREFERENCE FOR UNITED STATES CITIZENS OR**
6 **NATIONALS FOR CERTAIN HOUSING FINAN-**
7 **CIAL ASSISTANCE.**

8 Section 214(a)(7) of the Housing and Community
9 Development Act of 1980 (42 U.S.C. 1436a(a)(7)) is
10 amended by striking “within Guam” and all that follows
11 through the period at the end and inserting “within Guam
12 and the Commonwealth of the Northern Mariana Islands,
13 any citizen or national of the United States shall be enti-
14 tled to a preference or priority in receiving financial assist-
15 ance before any such alien who is otherwise eligible for
16 assistance.”.

17 **SEC. 5. INDEPENDENT ASSESSMENT OF STRATEGIC IMPOR-**
18 **TANCE OF RELATIONSHIP BETWEEN THE**
19 **UNITED STATES AND THE MARSHALL IS-**
20 **LANDS, THE FEDERATED STATES OF MICRO-**
21 **NESIA, AND PALAU.**

22 (a) IN GENERAL.—The Secretary of State shall seek
23 to enter into an agreement with an eligible organization
24 to conduct an independent assessment of the strategic im-
25 portance of the relationship between the United States

1 and the Republic of the Marshall Islands, the Federated
2 States of Micronesia, and the Republic of Palau.

3 (b) MATTERS TO BE INCLUDED.—The assessment
4 required under subsection (a) shall include—

5 (1) an assessment of the relationships between
6 the United States and the Republic of the Marshall
7 Islands, the Federated States of Micronesia, and the
8 Republic of Palau as a component of the Asia-Pa-
9 cific re-balance and for the security and stability of
10 the Asia-Pacific region;

11 (2) an assessment of the capabilities, expertise,
12 and shortfalls of United States Government agencies
13 in effectively administering the Compact of Free As-
14 sociation between the United States and the Repub-
15 lic of the Marshall Islands, the Compact of Free As-
16 sociation between the United States and the Fed-
17 erated States of Micronesia, and United States fi-
18 nancial support provided to the Republic of Palau,
19 including recommendations on improvements to such
20 capabilities, as required, and changes to processes or
21 organizations that may be necessary;

22 (3) recommendations regarding renewal and fu-
23 ture administration of such Compacts and financial
24 support; and

1 (4) any other matters the eligible organization
2 that enters into an agreement under this section de-
3 termines to be appropriate.

4 (c) REPORT REQUIRED.—

5 (1) IN GENERAL.—Not later than one year
6 after the date of the enactment of this Act, the eligi-
7 ble organization that enters into an agreement under
8 this section shall submit to the Secretary of State a
9 report that shall include—

10 (A) the assessment required under sub-
11 section (a);

12 (B) the matters to be included required
13 under subsection (b); and

14 (C) any other matters the Secretary deter-
15 mines to be appropriate.

16 (2) FORM.—The report required under para-
17 graph (1) shall be submitted in unclassified form,
18 but may contain a classified annex if necessary.

19 (d) OBTAINING OFFICIAL DATA.—The eligible orga-
20 nization that enters into an agreement under this section
21 may secure directly from any department or agency of the
22 United States information necessary to enable it to carry
23 out this section. Upon request of such eligible organiza-
24 tion, the head of that department or agency shall furnish
25 that information to the eligible organization.