

**SR 27**



**STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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March 18, 2011

To: The Honorable Will Espero and Josh Green, M.D., Chairs  
Senate Committees on Public Safety, Government Operations and Military Affairs  
and Health

Date: Monday, March 21, 2011

Time: 2:45 p.m.

Place: Conference Room 229, State Capitol

From: Mila Kaahanui, Executive Director  
Office of Community Services  
Department of Labor and Industrial Relations

**TESTIMONY IN OPPOSITION**

**Re: SCR 53/SR27- Strongly Urging The United States Department Of The Interior And The United States Congress To Provide Additional Federal Aid To The State Of Hawaii For The Provision Of Various State Services To Migrants From The Compact Of Free Association Nations; Deem Migrants Eligible To Receive Federally Funded Financial And Medical Assistance; And Provide Dialysis And Chemotherapy Centers In Micronesia And All Areas Within The Compact Of Free Association Nations.**

Good Afternoon Chair Espero, Chair Green, and members of the committee, my name is Mila Kaahanui, Executive Director for the Office of Community Services (OCS) in the Department of Labor and Industrial Relations. OCS serves the state as the coordinating office for Low-income Persons, Immigrants, and Refugees. We appreciate the opportunity to testify in support of the intent of this measure.

The impact Compact of Free Association (COFA) migrants have made on Hawaii's economy is unlike that of any immigrant population before. The COFA migrants' unique legal status, bevy of health problems, and the current economic situation make the provision of services very difficult.

We very much appreciate your Chamber's efforts to respond to the situation. We feel, however, that the approach in this resolution is one of admonishment and exclusion toward the COFA population. Hawaii, and indeed America, has a long tradition of immigration into the islands. Japanese, Filipinos, Samoans, and many others were all subjected to many of the same types of problems Micronesians experience. As the lead office for Immigrants and Refugees in

the State of Hawaii, we can confidently say this situation exists today with Thai, Lao, and other groups as well, although they are not as heavily publicized. Their assimilation is expedited by caring communities giving of their time to assure the inclusion and acculturation of each group.

Additionally, the scope of the problem is not solely confined to the financial woes of the State. Federal funds are regularly disbursed to each of the Compact nations in order to build infrastructure such as schools, buildings, and the clinics this resolution identifies. However, Micronesia has no experience in contracting or procurement with U.S. government funding, as is evidenced by the numerous violations now occurring in the respective COFA jurisdictions.

We feel the following strategies will be effective in spending existing funds in a more efficient manner: 1) Increased technical support, such as project management, for the large amount of existing funds already being spent, including in Micronesia, 2) Acculturation for the population to the social service system, for example teaching Micronesians to utilize doctors before the ER, and 3) Acculturation for the population to laws not recognized in their native land.

To be clear, we fully support the amendment of PRWORA to include persons under these Compacts. However, in dealing with these challenges, OCS believes a three-pronged approach of increasing funding, decreasing upfront expenses through acculturation, and technical assistance and planning in their home countries for Federal funds is necessary to achieve long-term amelioration of these challenges.

Strong S.

NEIL ABERCROMBIE  
GOVERNOR



PATRICIA McMANAMAN  
DIRECTOR

PANKAJ BHANOT  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

March 21, 2011

MEMORANDUM

TO: Honorable Josh Green, M.D., Chair  
Senate Committee on Health

Honorable Will Espero, Chair  
Senate Committee on Public Safety, Government Operations, &  
Military Affairs

FROM: Patricia McManaman, Director

SUBJECT: **S.C.R. 53/S.R. 27 - STRONGLY URGING THE UNITED STATES DEPARTMENT OF THE INTERIOR AND THE UNITED STATES CONGRESS TO PROVIDE ADDITIONAL FEDERAL AID TO THE STATE OF HAWAII FOR THE PROVISION OF VARIOUS STATE SERVICES TO MIGRANTS FROM THE COMPACT OF FREE ASSOCIATION NATIONS; DEEM MIGRANTS ELIGIBLE TO RECEIVE FEDERALLY FUNDED FINANCIAL AND MEDICAL ASSISTANCE; AND PROVIDE DIALYSIS AND CHEMOTHERAPY CENTERS IN MICRONESIA AND ALL AREAS WITHIN THE COMPACT OF FREE ASSOCIATION NATIONS.**

Hearing: Monday, March 21, 2011, 2:45 p.m.  
Conference Room 229, State Capitol

PURPOSE: The purpose of S.C.R. 53/S.R. 27 is to strongly urge the United States Department of the Interior and the United States Congress to provide additional federal aid to the State of Hawaii for the provision of various state services to migrants from the Compact of Free Association nations; deem migrants eligible to receive federally funded financial and medical assistance; and provide dialysis and

chemotherapy centers in Micronesia and all areas within the Compact of Free Association Nations.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this resolution. Providing funding for services to citizens of the Compact of Free Association nations is a federal responsibility which has been shifted to the states with significant consequences.

Due to its proximity to the Compact of Free Association nations, Hawaii has experienced a significant economic burden not shared by other states from this national commitment to provide opportunities and services agreed to by the United States government. The amount of funding provided by the federal government does not begin to compensate for the costs absorbed by the State of Hawaii.

The cost to DHS alone to provide medical, financial, housing, and other social services to Compact citizens was over \$51.3 million in FY 2010. This included \$33 million for medical assistance, \$14 million for financial assistance, \$3.8 million for housing assistance and over \$439,000 for other social services.

Citizens of nations that are party to a Compact of Free Association (COFAs) with the United States, i.e. Federated States of Micronesia, Republic of the Marshall Islands, and the Republic of Palau, are considered non-immigrants and are ineligible for Medicaid and Temporary Assistance for Needy Families (TANF) federal financial assistance. As a result, services to Compact citizens are mostly fully state-funded. An exception is that COFA children and pregnant women have since become eligible for federal medical assistance under the Children's Health Insurance Program.

Providing improved access to and scope of services available in the member nations of the Compact may allow a number of people who come here solely for the purpose of receiving life-saving treatments, such as dialysis, to remain in their country.

Increasing federal aid to provide services for the citizens from Compact of Free association Nations is long overdue.

Thank you for this opportunity to provide testimony.

**Date:** 03/21/2011

**Committee:** Senate Health  
Senate Public Safety, Government  
Operations, and Military Affairs

**Department:** Education

**Person Testifying:** Kathryn S. Matayoshi, Superintendent of Education

**Title of Resolution:** SCR 053(SR27)

STRONGLY URGING THE UNITED STATES DEPARTMENT OF THE INTERIOR AND THE UNITED STATES CONGRESS TO PROVIDE ADDITIONAL FEDERAL AID TO THE STATE OF HAWAII FOR THE PROVISION OF VARIOUS STATE SERVICES TO MIGRANTS FROM THE COMPACT OF FREE ASSOCIATION NATIONS; DEEM MIGRANTS ELIGIBLE TO RECEIVE FEDERALLY FUNDED FINANCIAL AND MEDICAL ASSISTANCE; AND PROVIDE DIALYSIS AND CHEMOTHERAPY CENTERS IN MICRONESIA AND ALL AREAS WITHIN THE COMPACT OF FREE ASSOCIATION NATIONS.

**Purpose of Resolution:** (none)

**Department's Position:** The Department supports this resolution.

In recent years the number of Compact of Free Association (COFA) students enrolled in public schools has risen sharply from approximately 6,162 in 2007 to 9,076 in 2011. Using the FY2009-10 average per pupil spending of \$11,695, the Department estimates that the approximately 9,076 COFA students enrolled this year will cost the State approximately \$106 million.

Any federal support to off-set the fiscal impact to the Department would be greatly appreciated.

Thank you for the opportunity to testify on this measure.



SENATE COMMITTEE ON PUBLIC SAFETY, GOVERNMENT OPERATIONS, AND MILITARY AFFAIRS

Senator Will Espero, Chair

SENATE COMMITTEE ON HEALTH

Senator Josh Green, Chair

Conference Room 229

March 21, 2011 at 2:45 p.m.

**Supporting SR 27 / SCR 53.**

The Healthcare Association of Hawaii represents its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. Our members employ more than 40,000 people statewide, delivering quality care to the people of Hawaii. Thank you for this opportunity to testify in support of SR 27 / SCR 53, which urge the federal government to fund services for COFA citizens.

Citizens of Compacts of Free Association (COFA) nations may travel freely to the United States, and a disproportionately large number of them live in Hawaii. Furthermore, COFA migrants in Hawaii use a disproportionately large share of government services compared with other residents.

It has been widely reported that the State expends \$100 million annually for a wide variety of services to COFA migrants, including health care, education, and housing. However, the federal government compensates Hawaii with funds specifically set aside within the compact at about \$11 million per year.

A substantial number of COFA citizens come to Hawaii because they have chronic medical conditions, such as diabetes. Others come to Hawaii for cancer treatment. Many do not have the capacity to pay for their expensive care, so they depend on Medicaid. In total, about 7,500 low-income COFA migrants are covered by Hawaii's Medicaid program. Although the federal government shares in the cost of Medicaid coverage for U.S. citizens, the State receives no such federal support in covering COFA migrants.

The Compacts of Free Association benefit the entire United States. Hawaii is paying disproportionately for services to COFA migrants that should be shared by the entire nation. The proposals contained in SR 27 / SCR 53 would take steps toward that end.

For the foregoing reasons, the Healthcare Association of Hawaii supports SR 27 / SCR 53.





## HAWAII MEDICAL ASSOCIATION

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**Thursday, March 21, 2011, 2:45 P.M., Conference Room 229**

To: COMMITTEE ON HEALTH  
Senator Josh Green, M.D., Chair  
Senator Clarence K. Nishihara, Vice Chair

COMMITTEE ON PUBLIC SAFETY, GOVERNMENT OPERATIONS, AND MILITARY AFFAIRS

Senator Will Espero, Chair  
Senator Michelle Kidani, Vice Chair

From: Hawaii Medical Association  
Dr. Morris Mitsunaga, MD, President  
Linda Rasmussen, MD, Legislative Co-Chair  
Dr. Joseph Zobian, MD, Legislative Co-Chair  
Dr. Christopher Flanders, DO, Executive Director  
Lauren Zirbel, Community and Government Relations

Re: **SR 27/** SCR 53 STRONGLY URGING THE UNITED STATES DEPARTMENT OF THE INTERIOR AND THE UNITED STATES CONGRESS TO PROVIDE ADDITIONAL FEDERAL AID TO THE STATE OF HAWAII FOR THE PROVISION OF VARIOUS STATE SERVICES TO MIGRANTS FROM THE COMPACT OF FREE ASSOCIATION NATIONS; DEEM MIGRANTS ELIGIBLE TO RECEIVE FEDERALLY FUNDED FINANCIAL AND MEDICAL ASSISTANCE; AND PROVIDE DIALYSIS AND CHEMOTHERAPY CENTERS IN MICRONESIA AND ALL AREAS WITHIN THE COMPACT OF FREE ASSOCIATION NATIONS.

Chairs & Committee Members:

The **HMA strongly supports** this resolution.

We agree with the legislature that if the Personal Responsibility and Work Opportunities Reconciliation Act of 1996 is amended to allow the Compact of Free Association migrants to receive federally funded financial and medical assistance, the State would not have to expend state funds to provide the equivalent services, thus allowing more of the State's general funds to be used for services and programs for which federal funding is not available.

The HMA joins the legislature in urging the United States Department of the Interior and the Congress of the United States to provide additional federal aid to the State of Hawaii for the provision of various state services to migrants from the Compact of Free Association nations. We strongly agree that United States Department of the Interior should be urged to provide dialysis and chemotherapy centers.

Thank you for the opportunity to provide this testimony.

### OFFICERS

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