



EXECUTIVE CHAMBERS
HONOLULU

BENJAMIN J. CAYETANO
GOVERNOR

February 4, 1999

Mr. Allen P. Stayman
Director, Officer of Insular Affairs
U.S. Department of the Interior
Office of the Secretary
Washington, D.C. 20240

Dear Mr. Stayman:

Thank you for your letter requesting my views on the impact on the State of Hawaii of the Compacts of Free Association with the Federated States of Micronesia (FSM), the Republic of the Marshall Islands, and the Republic of Palau.

Although Hawaii welcomes all its new immigrants with aloha, we still need and are waiting for Congress to honor its commitment to redress the adverse consequences caused by the benefits and immigration rights that the Compacts granted persons from the FSM, the Marshalls, and Palau. Approximately 5000 persons have come to Hawaii using those immigration rights. Because a high percentage of Compact immigrants live at or near the poverty level, have a history of poor medical care, speak limited English, and have limited education and job skills, Hawaii has had to provide many social, educational, vocational, and medical services that have caused a financial burden for the State.

During the last year, the State's public school system experienced a 19% increase in enrollment of children whose parents are from the FSM, the Marshalls, or Palau. These students accounted for over \$7 million of our primary and secondary public school costs last year, and have accounted for over \$36 million of such costs since 1988, the first year for which we have relevant enrollment figures (Attachment A).

Our higher education costs are also substantial. Because the Compacts give immigrants from the FSM, the Marshall Islands, and Palau the status of habitual residents, Compact immigrants enrolled at the University of Hawaii'i are eligible for resident tuition. During the last year alone, the University of Hawaii lost about \$1,149,850 in nonresident tuition payments that it otherwise would have received for students enrolled at the university from the FSM, the Marshall Islands, and Palau.

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Of this amount, \$349,450 was attributable to students enrolled at the Manoa and Hilo campuses, and \$800,400 was attributable to the University of Hawaii Community Colleges.

We are spending over \$8 million a year just for primary, secondary, and post-secondary education for students from the FSM, the Marshall Islands, and Palau. However worthy and integral to American foreign policy this educational assistance is, Hawaii cannot afford to bear, and should not have to bear, a burden disproportionate to the rest of the nation for Compact immigrants' education.

Last year, we spent about \$1,041,324 for Medicaid payments to medical providers for Compact immigrants and about \$1,305,432 for cash welfare payments to Compact immigrants (Attachment B). This large increase over our revised FY 1997 figures (Attachment C) is primarily attributable to our improved ability to identify and track Compact immigrants receiving state services.

Because of poor health care and education in the FSM, the Marshalls, and Palau, we face a continuing challenge to keep communicable diseases among Compact immigrants under control. Last year, we had about \$197,437 in itemized costs for tuberculosis and hepatitis control and for Hansen's Disease (leprosy) community outreach, although our actual costs were higher due to the number of Compact immigrants who receive medical treatment for communicable diseases without being identified. The Public Health Nursing Branch of the Department of Health also provided about \$68,074 in services to Compact immigrants, some of which was for communicable diseases.

Last year we spent about \$172,000 through our Job Training and Partnership Act programs to serve 86 Compact immigrants. We also spent about \$27,619 to serve about 46 Compact immigrants through our Family Development Services for Immigrants program. In addition, the Division of Vocational Rehabilitation, Services for the Blind Branch, of the Department of Human Services provided about 800 hours of vocational rehabilitation services for a blind Compact immigrant and made expenditures of about \$7,094 for his adaptive computer equipment and community college costs.

Although the impact of the Compacts on our criminal justice system is hard to quantify, it is clear that it continues to grow. Last year, about 111 Compact immigrants were arrested for approximately 501 offenses, and convicted of about 186. This represents about a 12% increase over our revised FY 1997 figures (Attachment D). We have only limited and expensive bed space in our jails and prisons.

We understand that President Clinton recently pledged to increase Guam's annual Compact impact aid from about \$4.6 million to \$10 million. The 1997 census of Micronesians showed that

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Hawaii has more Compact immigrants than Guam or the Commonwealth of the Northern Mariana Islands, but we have not received any reimbursement at all for the tens of millions of dollars of costs we have had that are attributable to the Compacts. We urge the Congress to honor its commitment to redress adverse consequences to the State of Hawaii and to reimburse us for the last thirteen years of Compact impact costs.

Thank you for transmitting these views to Congress.

With warmest personal regards,

Aloha,


BENJAMIN J. CAYETANO

Attachments

Report on Impact of FSM and RMI Immigration on the Department of Education

Year	No. of Students	Per Pupil Cost	Total Impact Cost	Percent of Increase
1988	105	\$3,580.55	\$375,957.75	
1989*	170	\$3,826.41	\$650,489.70	73.0%
1990	270	\$4,176.78	\$1,127,730.60	73.4%
1991	384	\$4,943.65	\$1,898,361.60	68.3%
1992	489	\$5,170.22	\$2,528,237.58	33.2%
1993	593	\$5,445.81	\$3,229,365.33	27.7%
1994	683	\$5,684.30	\$3,882,376.90	20.2%
1995	787	\$5,763.72	\$4,536,047.64	16.8%
1996	906	\$5,694.40	\$5,159,126.40	13.7%
1997	1053	\$5,763.72	\$6,069,197.16	17.6%
1998	1212	\$5,962.15	\$7,226,125.80	19.1%

* Estimated based on annual rate of increase.

01/20/99

Department of Human Services
Data on Recipients from Micronesia, the Marshall Islands, and Palau
State Funding Only
Annual Estimates Based on Average Monthly Figures for the Period January 1998 to October 1998

1. ESTIMATED ANNUAL RECIPIENTS

(This count would include the same recipients from month to month. The count would therefore be duplicated. Please refer to page 11 for estimated average monthly recipients.)

2. ESTIMATED ANNUAL MONEY PAYMENTS (Welfare Checks)

	<u>State TAONF Program</u>			<u>TOTAL</u>
	<u>State Aged, Blind, or Disabled Program</u>	<u>(formerly part of AFDC)</u>	<u>State General Assistance Program</u>	
Micronesia	\$99,384	\$593,376	\$50,844	\$743,604
Marshall Islands	\$28,284	\$511,848	\$4,728	\$544,860
Palau	\$2,724	\$12,276	\$1,968	\$16,968
TOTAL	\$130,392	\$1,117,500	\$57,540	\$1,305,432

3. ESTIMATED ANNUAL MEDICAID PAYMENTS (Payments to Medical Providers)

	<u>State TAONF Program</u>			<u>State Funding for</u>	<u>TOTAL</u>
	<u>State Aged, Blind, or Disabled Program</u>	<u>(formerly part of AFDC)</u>	<u>State General Assistance Program</u>	<u>Medicaid-Only Program</u>	
Micronesia	\$163,824	\$321,288	\$10,992	\$111,360	\$607,464
Marshall Islands	\$47,004	\$277,068	\$1,020	\$96,024	\$421,116
Palau	\$4,476	\$6,648	\$432	\$1,188	\$12,744
TOTAL	\$215,304	\$605,004	\$12,444	\$208,572	\$1,041,324

The State's Aged, Blind, or Disabled Program is funded entirely by the State. This program was created to assist individuals and couples with little or no income who are not eligible for federally-funded Supplemental Security Income (SSI) or eligible only for partial SSI payments.

The State's TAONF (Temporary Assistance to Other Needy Families) Program is funded entirely by the State. It was created to assist other needy families, such as those with two parents and those with non-citizens, who are not eligible for the federally-funded TANF (Temporary Assistance to Needy Families) Program.

The State's General Assistance Program is funded entirely by the State. This program was created to assist individuals and couples with little or no income who have a temporary, incapacitating medical condition.

The State's Medicaid Program is a partnership between the Federal and State Governments. It is funded with approximately one-half federal and one-half state funds. Recipients under the Aged, Blind, or Disabled Program have their medical bills paid on a fee-for-service basis to their medical providers. Recipients under the other programs are enrolled in managed care medical plans where the State pays premiums to the plans. The plans then reimburse the medical providers with their payments. Recipients who receive Medicaid without a welfare check are in the Medicaid-Only Program.

Estimated Annual Recipients were obtained by multiplying the average number of monthly recipients from the previous page by 12.

Estimated Average Monthly Money Payments were obtained by multiplying the average amount of monthly money payments from the previous page by 12.

Estimated Average Monthly Medicaid Payments were obtained by multiplying the average amount of monthly medicaid payments from the previous page by 12.

Attachment B-1

Department of Human Services
Data on Recipients from Micronesia, the Marshall Islands, and Palau
State Funding Only
Average Monthly Figures for the Period January 1998 to October 1998

1. ESTIMATED AVERAGE MONTHLY RECIPIENTS

	<u>State TAONF Program</u>				<u>TOTAL</u>
	<u>State Aged, Blind, or Disabled Program</u>	<u>(formerly part of AFDC)</u>	<u>State General Assistance Program</u>	<u>Medicaid-Only Program</u>	
Micronesia	37	377	13	131	558
Marshall Islands	11	325	1	113	450
Palau	1	8	1	1	11
TOTAL	49	710	15	245	1,019

2. ESTIMATED AVERAGE MONTHLY MONEY PAYMENTS (Welfare Checks)

	<u>State TAONF Program</u>			<u>TOTAL</u>
	<u>State Aged, Blind, or Disabled Program</u>	<u>(formerly part of AFDC)</u>	<u>State General Assistance Program</u>	
Micronesia	\$8,282	\$49,448	\$4,237	\$61,967
Marshall Islands	\$2,357	\$42,654	\$394	\$45,405
Palau	\$227	\$1,023	\$164	\$1,414
TOTAL	\$10,866	\$93,125	\$4,795	\$108,786

3. ESTIMATED AVERAGE MONTHLY MEDICAID PAYMENTS (Payments to Medical Providers)

	<u>State TAONF Program</u>			<u>State Funding for</u>	<u>TOTAL</u>
	<u>State Aged, Blind, or Disabled Program</u>	<u>(formerly part of AFDC)</u>	<u>State General Assistance Program</u>	<u>Medicaid-Only Program</u>	
Micronesia	\$13,652	\$26,774	\$916	\$9,280	\$50,622
Marshall Islands	\$3,917	\$23,089	\$85	\$8,002	\$35,093
Palau	\$373	\$554	\$36	\$99	\$1,062
TOTAL	\$17,942	\$50,417	\$1,037	\$17,381	\$86,777

The State's Aged, Blind, or Disabled Program is funded entirely by the State. This program was created to assist individuals and couples with little or no income who are not eligible for federally-funded Supplemental Security Income (SSI) or eligible only for partial SSI payments.

The State's TAONF (Temporary Assistance to Other Needy Families) Program is funded entirely by the State. It was created to assist other needy families, such as those with two parents and those with non-citizens, who are not eligible for the federally-funded TANF (Temporary Assistance to Needy Families) Program.

The State's General Assistance Program is funded entirely by the State. This program was created to assist individuals and couples with little or no income who have a temporary, incapacitating medical condition.

The State's Medicaid Program is a partnership between the Federal and State Governments. It is funded with approximately one-half federal and one-half state funds. Recipients under the Aged, Blind, or Disabled Program have their medical bills paid on a fee-for-service basis to their medical providers. Recipients under the other programs are enrolled in managed care medical plans where the State pays premiums to the plans. The plans then reimburse the medical providers with their payments. Recipients who receive Medicaid without a welfare check are in the Medicaid-Only Program.

Estimated Average Monthly Recipients were based on the average number of monthly recipients for the indicated period.

Estimated Average Monthly Money Payments were based on the average amount of monthly money payments for the indicated period.

Estimated Average Monthly Medicaid Payments were based on the average amount of monthly Medicaid payments for the indicated period.

Revised 12/29/98

Department of Human Services
Data on Recipients from Micronesia, the Marshall Islands, and Palau
State Funding Only
Average Monthly Figures for the Period July 1997 to November 1997

1. ESTIMATED AVERAGE MONTHLY RECIPIENTS*

	<u>State Aged, Blind, or Disabled Program</u>	<u>State TAONF Program (formerly part of AFDC)</u>	<u>State General Assistance Program</u>	<u>Medicaid-Only Program</u>	<u>TOTAL</u>
Micronesia	24	221	7	73	324
Marshall Islands	2	221	0	59	282
Palau	1	2	1	2	6
TOTAL	27	444	8	134	612

2. ESTIMATED AVERAGE MONTHLY MONEY PAYMENTS (Welfare Checks)**

	<u>State Aged, Blind, or Disabled Program</u>	<u>State TAONF Program (formerly part of AFDC)</u>	<u>State General Assistance Program</u>	<u>TOTAL</u>
Micronesia	\$5,406	\$30,992	\$2,157	\$38,555
Marshall Islands	\$458	\$30,966	\$0	\$31,423
Palau	\$229	\$307	\$196	\$732
TOTAL	\$6,093	\$62,265	\$2,353	\$70,710

3. ESTIMATED AVERAGE MONTHLY MEDICAID PAYMENTS (Payments to Medical Providers)***

	<u>State Aged, Blind, or Disabled Program</u>	<u>State TAONF Program (formerly part of AFDC)</u>	<u>State General Assistance Program</u>	<u>State Funding for Medicaid-Only Program</u>	<u>TOTAL</u>
Micronesia	\$5,074	\$15,705	\$469	\$5,183	\$26,431
Marshall Islands	\$430	\$15,677	\$0	\$4,203	\$20,310
Palau	\$215	\$156	\$43	\$170	\$584
TOTAL	\$5,719	\$31,538	\$512	\$9,556	\$47,325

The State's Aged, Blind, or Disabled Program is funded entirely by the State. This program was created to assist individuals and couples with little or no income who are not eligible for federally-funded Supplemental Security Income (SSI) or eligible only for partial SSI payments.

The State's TAONF (Temporary Assistance to Other Needy Families) Program is funded entirely by the State. It was created to assist other needy families, such as those with two parents and those with non-citizens, who are not eligible for the federally-funded TANF (Temporary Assistance to Needy Families) Program.

The State's General Assistance Program is funded entirely by the State. This program was created to assist individuals and couples with little or no income who have a temporary, incapacitating medical condition.

The State's Medicaid Program is a partnership between the Federal and State Governments. It is funded with approximately one-half federal and one-half state funds. Recipients under the Aged, Blind, or Disabled Program have their medical bills paid on a fee-for-service basis to their medical providers. Recipients under the other programs are enrolled in managed care medical plans where the State pays premiums to the plans. The plans then reimburse the medical providers with their payments. Recipients who receive Medicaid without a welfare check are in the Medicaid-Only Program.

*Note: Estimated Average Monthly Recipients were based on the average number of monthly recipients from the period July 1997 to November 1997.

**Note: Estimated Average Monthly Money Payments were based on the average amount of monthly money payments from the period July 1997 to November 1997.

***Note: Estimated Average Monthly Medicaid Payments were based on the average amount of monthly Medicaid payments from the period July 1997 to November 1997.

Revised 12/29/98

Department of Human Services
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State Funding Only
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2. ESTIMATED ANNUAL MONEY PAYMENTS (Welfare Checks)**

	<u>State Aged, Blind, or Disabled Program</u>	<u>State TAONF Program (formerly part of AFDC)</u>	<u>State General Assistance Program</u>	<u>TOTAL</u>
Micronesia	\$64,872	\$371,904	\$25,884	\$462,660
Marshall Islands	\$5,496	\$371,592	\$0	\$377,076
Palau	<u>\$2,748</u>	<u>\$3,684</u>	<u>\$2,352</u>	<u>\$8,784</u>
TOTAL	\$73,116	\$747,180	\$28,236	\$848,520

3. ESTIMATED ANNUAL MEDICAID PAYMENTS (Payments to Medical Providers)***

	<u>State Aged, Blind, or Disabled Program</u>	<u>State TAONF Program (formerly part of AFDC)</u>	<u>State General Assistance Program</u>	<u>State Funding for Medicaid-Only Program</u>	<u>TOTAL</u>
Micronesia	\$60,888	\$188,460	\$5,628	\$62,196	\$317,172
Marshall Islands	\$5,160	\$123,124	\$0	\$50,436	\$243,720
Palau	<u>\$2,580</u>	<u>\$1,872</u>	<u>\$516</u>	<u>\$2,040</u>	<u>\$7,008</u>
TOTAL	\$68,628	\$378,456	\$6,144	\$114,672	\$567,900

The State's Aged, Blind, or Disabled Program is funded entirely by the State. This program was created to assist individuals and couples with little or no income who are not eligible for federally-funded Supplemental Security Income (SSI) or eligible only for partial SSI payments.

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ARREST AND CONVICTION COUNTS FOR OFFENDERS BORN IN

MARSHALL ISLANDS

BY FY	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
OFFENDERS CONVICTED	2	10	9	8	7	5	10	17	10	35	43	46	35	45	29	37	35	54	53
OFFENSES ARRESTS CONVICTIONS	6	41	18	18	16	22	38	60	72	177	204	281	190	229	149	177	152	200	242
	2	16	10	10	10	10	22	43	23	71	82	90	48	68	50	67	47	77	87

PALAU

BY FY	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
OFFENDERS CONVICTED	1	1	1	3	0	0	1	1	2	2	1	1	5	2	1	3	2	1	0
OFFENSES ARRESTS CONVICTIONS	4	7	6	7	1	0	2	1	18	10	5	9	13	5	11	5	5	4	7
	2	5	5	6	0	0	1	1	8	7	1	2	5	3	2	3	3	2	0

FEDERATED STATES OF MICRONESIA

BY FY	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
OFFENDERS CONVICTED	8	8	14	21	18	13	14	18	18	23	62	56	45	40	51	57	41	44	58
OFFENSES ARRESTS CONVICTIONS	15	34	32	56	37	35	41	62	91	103	268	232	187	188	192	207	160	217	252
	10	20	18	26	25	18	23	43	53	55	108	81	71	65	70	74	67	77	99

TOTALS FOR ALL COUNTRIES

BY FY	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
OFFENDERS CONVICTED	11	19	24	32	25	18	25	36	30	60	106	103	85	87	81	97	78	99	111
OFFENSES ARRESTS CONVICTIONS	25	82	56	81	54	57	81	123	181	290	477	522	390	422	352	389	317	421	501
	14	41	33	42	35	28	46	87	84	133	191	173	124	136	122	144	117	156	186