

114TH CONGRESS
2D SESSION

H. R. 4370

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

JANUARY 12, 2016

Ms. BORDALLO (for herself, Mr. TAKAI, and Mr. SABLAN) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, Financial Services, Foreign Affairs, and Natural Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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 Impact Relief
5 Act 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 THE INTERIOR.**—Not
21 later than 60 days before the beginning of the calendar
22 quarter involved, the Secretary of the Interior shall review
23 the estimation submitted by the chief executive official
24 under subsection (b), make any appropriate adjustments,
25 and submit to the Secretary of Health and Human Serv-

1 ices a final estimated amount of compact migrant expendi-
2 tures for 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 THE INTERIOR.—The Secretary
18 of the Interior shall review each accounting sub-
19 mitted under paragraph (1) for accuracy, make any
20 appropriate adjustments, and submit a final ac-
21 counting of the amount of compact migrant expendi-
22 tures for such quarter for each affected jurisdiction
23 involved to the Secretary of Health and Human
24 Services.

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

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

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

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

1 (g) RULE OF CONSTRUCTION.—This section shall not
2 be construed as treating compact migrant expenditures as
3 medical assistance under title XIX of the Social Security
4 Act.

5 (h) DEFINITIONS.—In this section:

6 (1) AFFECTED JURISDICTION.—The term “af-
7 fected jurisdiction” has the meaning given such term
8 in section 104(e)(2) of the Compact of Free Associa-
9 tion Amendments Act of 2003 (48 U.S.C.
10 1921c(e)(2)).

11 (2) COMPACT MIGRANT EXPENDITURES.—(A)
12 The term “compact migrant expenditures” means,
13 for a calendar quarter with respect to an affected ju-
14 risdiction, the amount of non-Federal funds ex-
15 pended by such jurisdiction for items and services
16 described in section 1905(a) of the Social Security
17 Act (42 U.S.C. 1396d(a)) for qualified non-
18 immigrants (as defined in section 104(e)(2) of the
19 Compact of Free Association Amendments Act of
20 2003 (48 U.S.C. 1921c(e)(2))) and related adminis-
21 trative costs.

22 (B) Such term includes payments made by an
23 affected jurisdiction to health care providers for
24 health care items and services provided to qualified
25 nonimmigrants described in subparagraph (A), if

1 such payment is not made under a State plan under
2 title XIX of the Social Security Act, and such pay-
3 ment is not made from any other source of Federal
4 funds.

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

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

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

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

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

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

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

1 “(6) educate alien children admitted to the
2 United States as citizens of one of the Freely Asso-
3 ciated States.”.

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

7 (1) in paragraph (1)—

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

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

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

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

18 (2) in paragraph (2), by adding at the end the
19 following:

20 “(G) Multiply the number of children de-
21 scribed in paragraph (1)(H) by a factor of
22 1.25.”.

23 (c) AUTHORIZATION OF ADDITIONAL FUNDS FOR
24 ELIGIBLE FEDERALLY CONNECTED CHILDREN.—Section

1 8014 of such Act (20 U.S.C. 7714) is amended by adding
2 at the end the following:

3 “(h) **ADDITIONAL FUNDING FOR ELIGIBLE FEDER-**
4 **ALLY CONNECTED CHILDREN.**—For the purpose of mak-
5 ing additional payments for federally connected children
6 described in section 8003(a)(1) under this title, there are
7 authorized to be appropriated \$10,000,000 for fiscal year
8 2017 and for each succeeding fiscal year.”.

9 **SEC. 4. PREFERENCE FOR UNITED STATES CITIZENS OR**
10 **NATIONALS FOR CERTAIN HOUSING FINAN-**
11 **CIAL ASSISTANCE.**

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

1 **SEC. 5. INDEPENDENT ASSESSMENT OF STRATEGIC IMPOR-**
2 **TANCE OF RELATIONSHIP BETWEEN THE**
3 **UNITED STATES AND THE MARSHALL IS-**
4 **LANDS, THE FEDERATED STATES OF MICRO-**
5 **NESIA, AND PALAU.**

6 (a) IN GENERAL.—The Secretary of State shall seek
7 to enter into an agreement with an eligible organization
8 to conduct an independent assessment of the strategic im-
9 portance of the relationship between the United States
10 and the Republic of the Marshall Islands, the Federated
11 States of Micronesia, and the Republic of Palau.

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

14 (1) an assessment of the relationships between
15 the United States and the Republic of the Marshall
16 Islands, the Federated States of Micronesia, and the
17 Republic of Palau as a component of the Asia-Pa-
18 cific re-balance and for the security and stability of
19 the Asia-Pacific region;

20 (2) an assessment of the capabilities, expertise,
21 and shortfalls of United States Government agencies
22 in effectively administering the Compact of Free As-
23 sociation between the United States and the Repub-
24 lic of the Marshall Islands, the Compact of Free As-
25 sociation between the United States and the Fed-
26 erated States of Micronesia, and United States fi-

1 nancial support provided to the Republic of Palau,
2 including recommendations on improvements to such
3 capabilities, as required, and changes to processes or
4 organizations that may be necessary;

5 (3) recommendations regarding renewal and fu-
6 ture administration of such Compacts and financial
7 support; and

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

11 (c) REPORT REQUIRED.—

12 (1) IN GENERAL.—Not later than one year
13 after the date of the enactment of this Act, the eligi-
14 ble organization that enters into an agreement under
15 this section shall submit to the Secretary of State a
16 report that shall include—

17 (A) the assessment required under sub-
18 section (a);

19 (B) the matters to be included required
20 under subsection (b); and

21 (C) any other matters the Secretary deter-
22 mines to be appropriate.

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

1 (d) OBTAINING OFFICIAL DATA.—The eligible orga-
2 nization that enters into an agreement under this section
3 may secure directly from any department or agency of the
4 United States information necessary to enable it to carry
5 out this section. Upon request of such eligible organiza-
6 tion, the head of that department or agency shall furnish
7 that information to the eligible organization.

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