TIME TO PROTECT COFA INTERESTS OF HAWAI'I

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The United States maintains relationships of free association with the Federated States of Micronesia and the Republic of the Marshall Islands. Under current law, these relationships are governed by a set of enduring and temporary provisions. The enduring provisions include the requirement that the United States exempt most citizens of these countries from visa and certification requirements imposed on foreigners by federal immigration legislation. The temporary provisions require the United States to provide these countries with sector grants, education grants, and trust fund contributions, along with access to federal aviation, disaster, postal, and weather programs and services. The US is also obligated to provide impact grants to American Samoa, the Commonwealth of Northern Mariana Islands (CNMI), Guam, and Hawai`i. Since these temporary provisions significantly mitigate the adverse consequences of these relationships, the Hawai'i state government should take steps to ensure that the overarching agreements that govern these relationships are amended prior to the expiration of their temporary provisions in fiscal year (FY) 2023.

The Compacts of Free Association Task Force (COFA-TF) has pointed out that the United States may not have intended for these relationships to adversely affect Hawai`i. However, "the unexpected level of mass migration to the U.S. under the Compacts has clearly resulted in 'adverse consequences' to the state in terms of stretching already thin financial resources to provide services to the ever-growing number of COFA migrants." The impact costs that have been reported by Hawai`i support this claim. According to official reports by the governor's office, non-immigrant aliens from the freely associated States (FAS) cost Hawai`i more than $32 million in FY 2002, $100 million in FY 2008, and $163 million in FY 2014. According to unofficial reports by state officials, non-immigrant aliens from the FAS will cost Hawai`i between $200 million and $300 million in FY 2019. To put these figures in perspective, this is equivalent to between 1.3 and 2.1 percent of Hawai'i's executive operating budget for FY 2019.

The adverse consequences of COFA migration on Hawai`i are mitigated by temporary provisions in the overarching agreements that govern these relationships. Under current law, the United States is required to annually provide $30 million in impact grants to American Samoa, CNMI, Guam, and Hawai`i on the basis of their COFA migrant populations. For Hawai`i, these impact funds defrayed over $14.8 million in government services provided by the state to COFA migrants in FY 2019.

The United States also is required to provide sector grants, education grants, trust fund contributions along with access to federal aviation, disaster, postal, and weather programs and services to the Federated States of Micronesia and the Republic of the Marshall Islands. These contributions represent the lion's share of the estimated $3.5 billion in economic assistance that the United States is required to provide to these countries between FYs 2004 and 2023. According to the Department of Interior, this economic assistance improves the quality of life in the FAS and potentially stems the migration of their citizens to the United States. These temporary provisions are set to expire in FY 2023.

The expiration of the temporary COFA provisions is expected to substantively increase the costs of providing government services to COFA migrants across the United States. As pointed out by the US Government Accountability Office, the sector grants and education grants currently support approximately one-third of the annual revenue of the Federated States of Micronesia and one-quarter of the annual revenue of the Republic of the Marshall Islands. While the United States may have intended for the COFA trust funds to offset the loss of these revenues when these sector grants and education grants expire in FY 2023, the COFA trust funds are "unlikely to provide maximum annual disbursements, may provide no disbursements at all in some years, and are unlikely to sustain the funds' FY 2023 value." If the annual distributions of the COFA trust funds "fall short of the inflation-adjusted amount of annual grant assistance" allocated in FY 2023, it is likely that there will be a significant deterioration in the quality of life in the Federated States of Micronesia and the Republic of the Marshall Islands. That is why the Department of Interior recently warned the United States Congress that there is a significant risk that there will be an increase in the "out-migration of FAS citizens" to the United States "when direct grant funding under the Compact expires after 2023." This increased out-migration probably would have a disproportionate impact on a handful of states and territories, including Hawai`i.

The Imperative for Hawai`i

Hawai`i has a substantive interest in championing provisions in federal legislation that mitigate the adverse consequences of COFA-based migration on impacted jurisdictions. It is therefore surprising that the senior political leadership of Hawai`i has not been collectively ringing the alarm bells over the fast-approaching expiration of a number of provisions in the overarching agreements that govern the free association relationships with the Federated States of Micronesia and Republic of the Marshall Islands. Hawai`i should take all necessary steps to ensure that these overarching agreements are amended prior to the expiration of these temporary provisions in 2023. This includes partnering with other impacted jurisdictions to advocate for their joint interests at the national level. If the senior political leadership of Hawai`i does not rise to this challenge, then the residents of Hawai`i will likely bear the burden of exponentially higher costs of providing government services to COFA migrants in the decades ahead. And, that almost certainly would have long-term political, economic, and social repercussions for Hawai`i.