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Congress of the United States
House of Representatives
Washington, DC 20515

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Honorable Benigno R. Fitial
Governor
Commonwealth of the Northern Mariana Islands
Caller Box 10007
Saipan, MP 96950

Dear Governor Fitial:

I write to inform you of the continuing progress in my effort to extend the Supplemental Nutrition Assistance Program (SNAP) to families in the Northern Mariana Islands who need assistance putting food on their tables. I continue ask that you join me in this effort.

On November 18, 2011, the President signed Public Law 112-55, which provides a \$1 million increase in the current fiscal year for the Nutrition Assistance Program in the Northern Mariana Islands. All of the \$1 million must go for benefits. None can be used for administration. The total for the year is \$13.148 million. Agriculture Secretary Tom Vilsack made the commitment to increase funding by this amount in September in response to my request for more assistance; and in Congress we have now confirmed that commitment by including a \$13.148 million appropriation in P.L. 112-55. Altogether, since I came to office in January 2009 and began working to improve food aid to families in the Northern Marianas, we have been able to increase funding by 23%, from \$10.7 million to the present \$13.148 million.

My goal, however, is to lift benefits even higher by including the Northern Mariana Islands in the national Supplemental Nutrition Assistance Program (SNAP). As you know, people in the Northern Marianas receive only about half the federal food assistance that people on Guam receive because we are not included in SNAP, as Guam is.

Your administration has been reluctant to support the goal of full inclusion and equivalent benefits for people in the Northern Marianas. In part, I understand, this is because the Northern Marianas government would have to bear half of the administrative costs of SNAP, whereas now that cost, about \$1.2 million, is fully funded by the federal government.

I have tried to alleviate your concern by commissioning an economic analysis, which demonstrated that the \$12 to \$24 million in additional federal funds for food assistance that would come into our economy from the SNAP program would generate additional Commonwealth government revenues in the range of \$2.52 to \$5.04 million. These revenues greatly exceed the present \$1.2 million cost of administering the Commonwealth's food stamp program and even more exceed the half of that cost, \$600,000, that the Commonwealth would be responsible for under SNAP. The excess of these new revenues would be available for retirement fund payments, increased government work hours, or other public purposes the Commonwealth's Legislature might decide.

Further analysis, however, indicates that the Commonwealth's costs for running the food stamp program might be higher than is necessary and that the required 50 percent local cost of

administering SNAP might be even lower than \$600,000. Guam presently administers SNAP for about \$80 per-participant per-year. The Northern Marianas Islands' cost of administration for its food stamp program is \$120 per-participant per-year, 50 percent higher. Another way of making this comparison is to note that Guam administers its annual \$96.7 million SNAP funds for \$2.939 million, or 3¢ in administrative costs for every \$1 managed. The Northern Marianas spent \$1.2 million to administer \$12.148 million last year, or 10¢ for every \$1 managed, three times the administrative cost ratio for Guam.

This suggests that the Commonwealth government might be able to operate SNAP at a lower cost than it presently operates its food stamp program. I do recognize that there may be other factors at work such as the economies of scale and the cost of providing service on three separate islands. Nevertheless, achieving greater efficiencies in administration would not only save the Commonwealth money, if we were included in SNAP, but would also provide the opportunity to win performance efficiency bonus from the Agriculture Department, as Guam has been able to do. In 2009 Guam received a bonus of \$173,258 for improving its payment accuracy rate. The use of these bonus funds is not confined to SNAP, but may be for any public purpose. But these bonuses are not now available to us in the Northern Marianas, nor are other opportunities, such as SNAP-Education grants, Outreach grants, and the Child and Adult Care Food Program, that are only available to states and territories that participate in SNAP.

In closing, let me remind you again of Secretary Vilsack's letter to Acting Governor Eloy Inos "encouraging continuing discussion" of a transition to SNAP for the Northern Marianas and that the Secretary has instructed his Western Regional Office to work with you to achieve this goal. I ask again that you accept this offer so that the Commonwealth economy may benefit from the resulting influx of federal dollars, the Commonwealth government may benefit from increased revenues, and the people of the Northern Marianas, who need help providing food for their families, may receive the full benefit that is available to their fellow Americans.

Thank you for your consideration.

Sincerely,



GREGORIO KILILI CAMACHO SABLAN
Member of Congress

cc: Honorable Eloy S. Inos, Lt. Governor
Honorable Paul A. Manglona, President of the Senate
Honorable Eliceo D. Cabrera, Speaker of the House
Honorable Tobias DLC. Aldan, Mayor of the Northern Islands
Honorable Donald G. Flores, Mayor of Saipan
Honorable Ramon M. Dela Cruz, Mayor of Tinian and Aguigan
Honorable Melchor A. Mendiola, Mayor of Rota