



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

JUN - 5 2012

The Honorable Gregorio Kilili Camacho Sablan
U.S. House of Representatives
423 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Sablan:

Thank you for your letter of February 23, 2012, requesting that I restore to the Commonwealth of Northern Mariana Islands (CNMI) unspent Nutrition Assistance Program (NAP) block grant funds that were deobligated in the first quarter of fiscal year (FY) 2012. I apologize for the delayed response. However, I was informed that my staff discussed this issue with your office by phone.

The Food and Nutrition Service (FNS) deobligated prior year Federal NAP funds that were not expended by CNMI because the period of availability for the grant funds, which included balances for the period FY 2007 through FY 2011, had expired. FNS requested guidance from the Department of Agriculture's Office of the General Counsel (OGC) regarding deobligation of unspent NAP funds.

OGC confirmed its 2006 opinion that the current Memorandum of Understanding (MOU) that governs the NAP limits the period of availability of funds to the fiscal year in which the funds are received and NAP expenditures are made. Because NAP did not spend all the funds during the fiscal year when these funds were available, FNS was required to deobligate these funds by law. In the future, in order for NAP funds to remain available beyond the year in which they are received, FNS and CNMI would need to renegotiate the terms of the MOU.

We are currently working with CNMI and our OGC to prepare a modification to the FY 2012 MOU. These changes will permit CNMI access to grant funds for a set period of time beyond the initial fiscal year of the grant award—the current limitation. We anticipate this language would be included in subsequent MOUs to allow CNMI this flexibility on an ongoing basis. This should facilitate CNMI ability to more fully utilize each year's funding.

Again, thank you for your letter and your concern for the people of CNMI. Please have your staff contact Brian Baenig, Assistant Secretary for Congressional Relations, at (202) 720-7095, if you have any additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Vilsack".

Thomas J. Vilsack
Secretary