



United States  
Department of  
Agriculture

Food and Nutrition  
Service

Mid-Atlantic Region

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Robbinsville, NJ  
08691-1598

October 31, 2019

Surima Quinones, Esq., Administrator  
Administration for the Socio-Economic Development of the Family  
Department of the Family  
PO Box 8000  
San Juan, P.R. 00910-0800

Dear Ms. Quinones:

We are writing to inform you of the status of the Puerto Rico Nutrition Assistance Program (NAP), State Plan of Operations (SPO), for Fiscal Year (FY) 2020. On September 30, 2019 my office partially approved the FY 2020 NAP SPO and provided funding through October 31, 2019.

We have now completed our comprehensive review of the FY 2020 NAP SPO and the revised budget your agency submitted. I am glad to inform you that we are approving this Plan. The total amount of the FY 2020 NAP grant is \$1,937,647,000.

Although the Food and Nutrition Service (FNS) is approving the Plan, there are two elements that FNS will need additional information:

1. *Healthy Bucks Program* – this Pilot program would provide a \$3.00 voucher to NAP participants, for every \$5.00 of NAP benefits they redeem at the Family Markets in the San Juan Region. The voucher can only be redeemed at Family Markets for agriculture products. This pilot program is scheduled for implementation in January 2020. If ADSEF is considering using NAP funds for this pilot program, FNS requires ADSEF to submit an amendment to this Plan, with a fiscal impact summary, a request for use of NAP administrative funding, and a revised budget.
2. *Work Requirement* – this provision requires abled-bodied NAP participants, between the ages of 18 – 50, to work or participate in work related activities for an average of 80 hours per month. The Puerto Rico Department of the Family and the Puerto Rico Fiscal Oversight and Management Board are working together to finalize an implementation plan. According to the FY 2020 NAP SPO, ADSEF will begin to implement the NAP Work Requirement effective October 2019. Please provide this office with a copy of ADSEF's Work Requirement Implementation Plan, as well as copies of partner agreements once they are signed. FNS will monitor the effectiveness of the implementation to measure the impact of program access to the NAP. FNS is available for technical assistance in the planning and partnership building of this provision.

We appreciate you and your agency's efforts to ensure that vulnerable populations in Puerto Rico are able to access this vital nutrition assistance program. If you have any questions or comments please do not hesitate to contact me at [eric.ratchford@usda.gov](mailto:eric.ratchford@usda.gov) or 609-259-5088.

Sincerely,



ERIC RATCHFORD  
Director  
Supplemental Nutrition Assistance Program  
Mid-Atlantic Region

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GOVERNMENT OF PUERTO RICO

Administration for Socioeconomic Development of the Family

DEPARTMENT OF THE FAMILY

ADMINISTRATION FOR SOCIOECONOMIC

DEVELOPMENT OF THE FAMILY

STATE PLAN OF OPERATION

**NUTRITION ASSISTANCE PROGRAM (NAP)**

FISCAL YEAR 2020

NAP GUARANTEE EQUAL OPPORTUNITY.

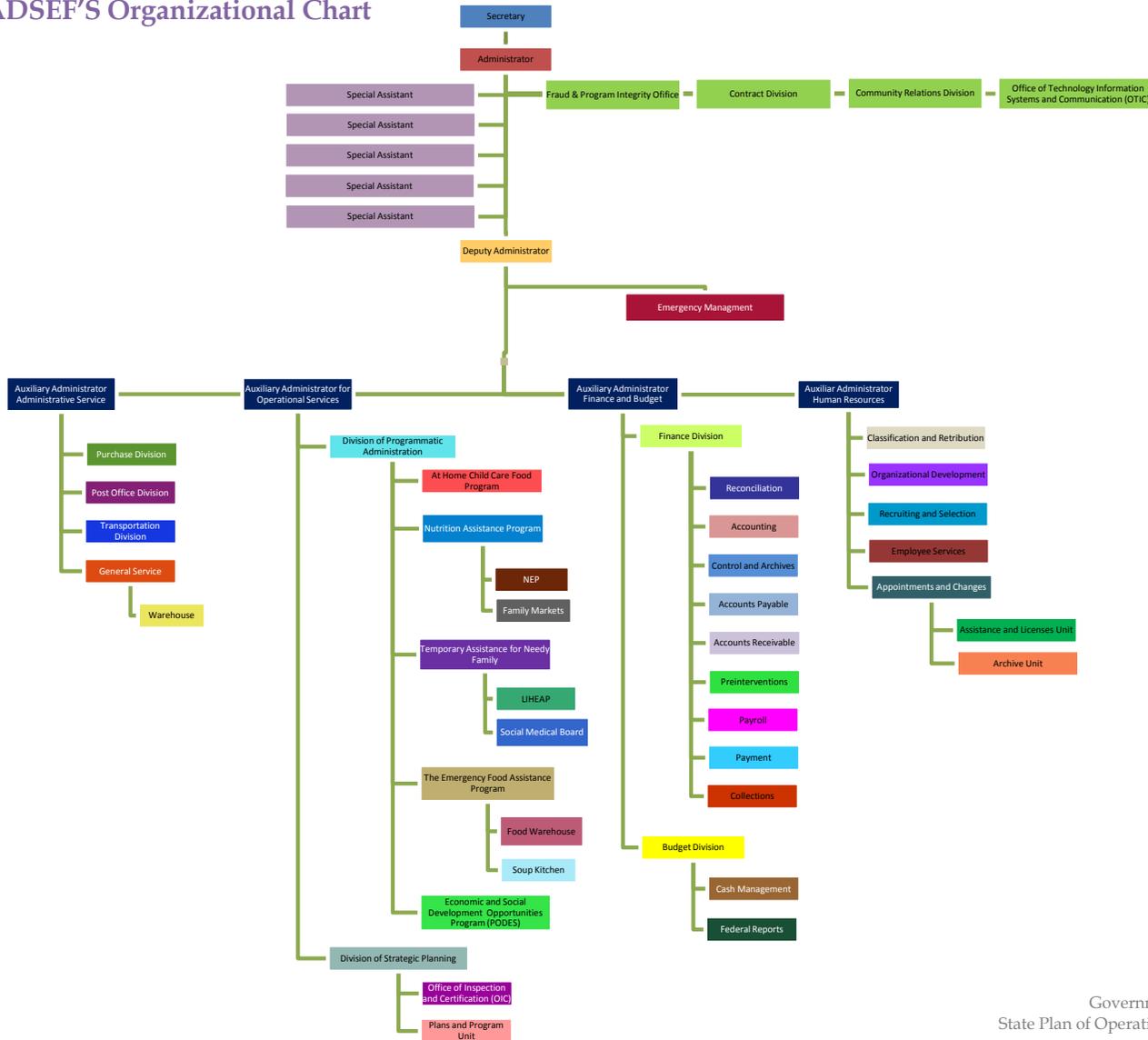
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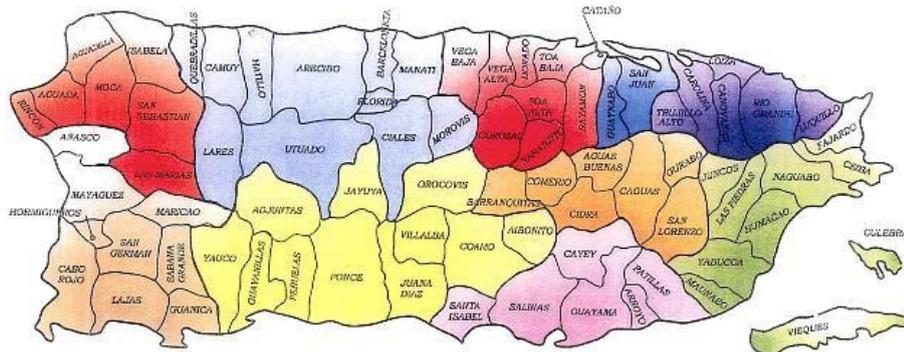
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# I. ADSEF'S Organizational Chart



## II. Regional and Local Offices for Administration of the Nutrition Assistance Program (NAP)

### 10 REGIONS - 93 LOCAL OFFICES



<p><b>Aguadilla</b></p> <ul style="list-style-type: none"> <li>• Aguada</li> <li>• Aguadilla I</li> <li>• Aguadilla II</li> <li>• Isabela</li> <li>• Las Marías</li> <li>• Moca</li> <li>• Rincón</li> <li>• San Sebastián</li> </ul>	<p><b>Arecibo</b></p> <ul style="list-style-type: none"> <li>• Arecibo I</li> <li>• Arecibo III</li> <li>• Barceloneta</li> <li>• Camuy</li> <li>• Ciales</li> <li>• Florida</li> <li>• Hatillo</li> <li>• Lares</li> <li>• Manatí</li> <li>• Morovis</li> <li>• Quebradillas</li> <li>• Utuado I</li> <li>• Utuado II</li> </ul>	<p><b>Bayamón</b></p> <ul style="list-style-type: none"> <li>• Bayamón II</li> <li>• Bayamón III</li> <li>• Cataño</li> <li>• Corozal</li> <li>• Dorado</li> <li>• Naranjito</li> <li>• Toa Alta</li> <li>• Toa Baja I</li> <li>• Toa Baja II</li> <li>• Vega Alta</li> <li>• Vega Baja I</li> </ul>	<p><b>Caguas</b></p> <ul style="list-style-type: none"> <li>• Aguas Buenas</li> <li>• Barranquitas</li> <li>• Caguas I</li> <li>• Cidra</li> <li>• Comerío</li> <li>• Gurabo</li> <li>• San Lorenzo</li> </ul>	<p><b>Carolina</b></p> <ul style="list-style-type: none"> <li>• Canóvanas</li> <li>• Carolina I</li> <li>• Carolina II</li> <li>• Loíza</li> <li>• Luquillo</li> <li>• Río Grande I</li> <li>• Trujillo Alto I</li> </ul>
<p><b>Guayama</b></p> <ul style="list-style-type: none"> <li>• Arroyo</li> <li>• Cayey</li> <li>• Guayama</li> <li>• Patillas</li> <li>• Salinas</li> <li>• Santa Isabel</li> </ul>	<p><b>Humacao</b></p> <ul style="list-style-type: none"> <li>• Ceiba</li> <li>• Culebra</li> <li>• Fajardo</li> <li>• Humacao</li> <li>• Juncos I</li> <li>• Las Piedras</li> <li>• Maunabo</li> <li>• Naguabo</li> <li>• Vieques</li> <li>• Yabucoa</li> </ul>	<p><b>Mayaguez</b></p> <ul style="list-style-type: none"> <li>• Añasco</li> <li>• Cabo Rojo</li> <li>• Guánica</li> <li>• Hormigueros</li> <li>• Lajas</li> <li>• Maricao</li> <li>• Mayagüez I</li> <li>• Mayagüez II</li> <li>• Sábana Grande</li> <li>• San Germán</li> </ul>	<p><b>Ponce</b></p> <ul style="list-style-type: none"> <li>• Adjuntas</li> <li>• Aibonito</li> <li>• Castañer</li> <li>• Coamo</li> <li>• Guayanilla</li> <li>• Jayuya</li> <li>• Juana Díaz</li> <li>• Orocovis</li> <li>• Peñuelas</li> <li>• Ponce I</li> <li>• Ponce II</li> <li>• Ponce III</li> <li>• Villalba</li> <li>• Yauco</li> </ul>	<p><b>San Juan</b></p> <ul style="list-style-type: none"> <li>• Guaynabo I</li> <li>• Guaynabo II</li> <li>• Río Piedras I</li> <li>• Río Piedras II</li> <li>• Río Piedras III</li> <li>• Río Piedras IV</li> <li>• San Juan I</li> </ul>

### **III. Designation of State Agency**

Public Law 171, dated June 30, 1968, as amended, established the Department of Social Services. Later, the Department was reorganized, Plan Number 1, dated July 27, 1995 and renamed the Department of the Family. That Plan also created the Administration for Socioeconomic Development of Family (ADSEF). The Department of the Family is organized in ten (10) regional offices with at least one local office in each municipality.

The State Agency responsible for the administration of the NAP Grant Funds for Puerto Rico is:

#### **Administration for Socioeconomic Development of Family (ADSEF)**

Physical address:

Capitol Office Building  
800 Ponce de Leon Avenue - Ninth Floor  
Miramar, San Juan, Puerto Rico

Telephone numbers:

(787) 289-7600, extensions: 2433, 2314  
or (787) 289-7651

Mailing address:

**Administration for Socioeconomic Development of Family (ADSEF)**  
PO Box 8000  
San Juan, P. R. 00910-0800

#### IV. Executive Summary

The Nutrition Assistance Program (NAP) provides monthly benefits that help eligible low-income households buy the food they need for good health. For most households, NAP funds account for only a portion of their food budgets; they must also use their own funds to buy enough food to last throughout the month. Eligible households receive food assistance through NAP. Benefits are provided on the FAMILY Card - an electronic card that is accepted at most grocery stores. The program is managed by the Food and Nutrition Service (FNS) of the United States Department of Agriculture. The Administration of Socioeconomic Development of the Family administers the program in Puerto Rico.

The Nutrition Assistance Program (NAP) State Plan of Operations (SPO) will implement strategies that satisfy our participants' basic needs, in accordance with the requirements for the distribution and administration of the funds assigned by the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS). This SPO will describe some particular characteristics and trends of Puerto Rico's economy; such as its unemployment rate, personal and family income distribution, socio-demographic characteristics of the NAP participants, and the costs of basic family needs as a way of assessing the island's real need for distributing nutrition assistance funds.

On January 3, 2014, The United States Congress approved the Agricultural Act of 2014. The act regulates, among others, the Supplemental Nutrition Assistance Program (SNAP) and the Nutrition Assistance Program (NAP). According to Section 4025, cash conversion will be gradually change for Targeted Food:

- For FY 2017 to be distributed 80% Targeted Food, 20% cash was executed
- For FY 2018 to be distributed 85% Targeted Food%, 15% cash was executed
- for FY 2019 to be distributed 90% Targeted Food, 10 % cash was executed

- For Fiscal Year 2020 to be distributed 95% Targeted Food, 5% cash
- For FY 2021 to be distributed 100% Targeted Food

The Secretary of the U. S. Department of Agriculture, on August 5, 2016 mandated the Puerto Rico Department of the Family (ADSEF) to convert cash assistance in Targeted Food from the EBT FAMILY Card by phases. The disposition started with the 5% reduction in cash benefits each fiscal year, beginning with the first 5% reduction for FY 2017, and completing the full conversion to 100% non-cash benefits by the FY 2021. ADSEF has accomplished this task on annual basis, we are preparing to implement the adjustment to the new reduction and to inform recipients and retailers regarding this matter. This SPO includes the distribution of the 5% of the cash portion, corresponding to fiscal year 2020, beginning on October 1, 2019. The ADSEF will take several measures in order to alert the participants of this change, including press releases, media tours, 3-1-1's line orientations, educational materials, posters and social network posts.

The ADSEF will continue operating and expanding the Family Markets during fiscal year 2020 in coordination with a collaborative agreement between ADSEF, the Puerto Rico Department of Agriculture, and the Administration for Agricultural Business Development (ADEA). For that reason, ADSEF is reserving a portion of the NAP grant administrative costs for ADEA, to cover part of their operational expenses for the Family Markets. More information is available in the Family Market section.

The ADSEF will continue providing effective and efficient attention to claims and collections. The ADSEF we will continue to strengthen the Programmatic Integrity Division (DIP, Spanish acronym) at central and regional level in coordination with the FNS support. The Division of the Legal Affairs Office is responsible for monitoring the NAP EBT Retailers transactions and redemptions using a *data warehouse* as a one of the tools to identify and prevent fraud, as well as analyzing and processing complaints of possible participant's violations of NAP regulations in coordination with local and regional offices. This office investigates cases in order to determine Intentional Program Violations (IPVs) and proceeds with claims collections that result from the investigation.

The Office of Technology and Information (OTI) continues working together with NAP program staff to offer alternatives to improve services to the recipients and obtain better practices for managing NAP cases.

## **V. Statement of Goals and Objectives**

The Food Stamp Act of 1977, as amended, and the American Recovery and Reinvestment Act of 2009, authorizes payments to the Government of Puerto Rico for the NAP which is designed to promote the general welfare and safeguard the health and wellbeing of the Nation's population by raising the levels of nutrition among low income-households. The Government of Puerto Rico authorizes ADSEF to implement the NAP.

The mission of the ADSEF is to improve the overall health and well-being of our children and families, facilitate self-management and auto- sufficiency of individuals, families and communities, and promote strengthening, with sensitivity and respect for their needs and aspirations for development. The fundamental commitments that lead the work on the ADSEF are:

1. Strengthening families
2. Well-Being –Enhancing families' capacity to meet their children's health and educational needs
3. Support families to promote self-reliance and development.
4. Dignifying life for seniors and people with special needs.
5. Empower individuals, families and communities.
6. Support homeless.
7. Developing opportunities for women heads of family and domestic violence survivors.
8. Developing transparency in management of all finances.
9. Using technology for efficiency and effectiveness of processes and services given to the community.

10. Making a fair Puerto Rico with equal opportunities for all.

ADSEF has a vision to revive a sense of hope for a future with better quality of life for the people of Puerto Rico, and to make true the demand for social justice. The mission of ADSEF is to provide opportunities of development to social and economic disadvantage families in Puerto Rico, providing them with opportunities to achieve self-sufficiency and integration to society in a productive way. Among the priorities of ADSEF are to:

- Battle childhood maltreatment.
- Achieve solidary socioeconomic development.
- Develop human resources to increase auto sufficiency.
- Offer agile and efficient services to the community.

For the NAP FY 2020, ADSEF has the following goals:

**1. Implement a “Health Bucks Program”**

To increased consumption of healthy food among participating NAP recipients.

- a. Eating fresh healthy foods is good for everyone but doing so can be difficult for some families due to economic constraints. We will develop *NAP Healthy Incentive Program* that will consist as follow: NAP participants will acquire more economic buying power to purchase fresh healthy foods (fruits and vegetables). This is done by matching what recipients spend on product with their NAP benefits up to a certain amount.

*How it works?* When a customer shopping with NAP visits a participating farmers’ market, they can receive a \$ 3.00 Healthy Bucks voucher (equivalent to \$3.00 in cash) for fruit and vegetable purchases. This voucher can be received once they purchase at least \$ 5.00 with their own NAP card (officially called Family Card). After the \$ 3.00 Healthy Bucks voucher is received, the recipient fills out a simple form signifying the receipt. The initial \$ 3.00 Healthy Bucks voucher can then be spent on produce at the market. A customer shopping with NAP can participate once per market

day in the program. There are no other limits on how many times they can participate in a market season.

These programs are being implemented around the country at farmers' markets and grocery stores. *"Results show increased consumption of healthy food, such as fruits and vegetables among participating SNAP (Special Nutrition Assistance Program in the states) recipients and increased SNAP sales at participating locations, leading to more income for small-scale farmers and money staying in the local economy"* (see New York City).

*Farmers' markets must be set-up to accept NAP Healthy Bucks program. ADSEF provides the Healthy Bucks vouchers to the farmer/marketplace with special numbering that identifies the market (municipality), which are to be given out after a recipient has purchased at least \$ 5.00 with their EBT card. Each farmer must include in the voucher given to the recipient their bona fide (legal) farmer number. The recipient will fill out a simple form signifying they have received the voucher and they will exchange it at the ADSEF's Kiosk for a \$ 3.00 value voucher. These forms are turned into ADSEF who reimburses the farmer for the number of Healthy Bucks vouchers used. Purchases must be for fruits and vegetables only.*

*The pilot implementation of the NAP Healthy Bucks program will take place in January 2020, as a pilot program in the San Juan Region.*

2. Reinforce the DIP and OIC office hiring additional staff to prevent and detecting participants and retailer's fraud and to improve both offices performances.
  - b. Establish interagency agreements with state and federal agencies for the prevention, detection and minimize fraud by NAP participants and retailers. The agreements should include: Department of Health, Department of Education, Correctional Department, Social Security and Internal Revenue Services (IRS), among others.
2. Continue implementing Section 4025 of the Agricultural Act of 2014 that directs USDA to gradually phase out (conversion) of the cash portion of the

NAP benefit by 5 percent each year. Continuing October 1, 2019 (FY 2020). The distribution of the benefits for the participants of the NAP for fiscal year 2020 will be ninety five (95%) percent Targeted Food and five (5%) percent Cash benefit.

- a. Develop an effective media campaign using the social media to prepare participants for the impact of the next five percent (5%) conversion in cash portion of NAP benefits.
3. Promote to the nucleus of service the correct use of 100% of the NAP benefits for the purchase of eligible food to supplement their food needs.
    - a. ADSEF /Department of the Family promotes the correct use of benefits to recipients using strategies such as orientations of the Nutrition Education Program (NEP) educational campaigns, placing posters in merchants promoting the correct use of the Family Card, orientations to stores owners for them to sell the allowed products to NAP participants, Family Markets where participants can buy fresh foods and nonprofit organizations as well as government and non-governmental organizations among other strategies. Due to the impacted of Hurricane Maria, it has been difficult for ADSEF-NAP to continue offering the certified retailers fraud prevention workshop. However, starting in FY 2020, ADSEF will offer all certified retailers fraud prevention workshops to strengthen fraud prevention and improve the communications with the owners, and educate them, including the 7CFR parts and advising them regarding part of the regulation 8857.
  4. Expand the educational campaign of “Saludable con mi PAN” of the Nutrition Education Program (NEP).
    - a. Continue providing educational workshops to NAP households, at local offices and NAP activities, to promote active parent-children involvement from a nutrition education perspective and better practices to select nutritive

- foods items.
- b. Provide recipes to households in the Family Markets and different home centers Island wide.
  - c. Provide educational workshops to Elderlies at Elderly Home Center.
  - d. Continue working in collaborative agreements with agencies that aim to promote physical activity and therefore healthy lifestyle, such as the Department of Health and others.
  - e. ADSEF will continuing working hand in hand with the Office of the Governor with the project “Fortaleza para Ti” in order to provide information in special communities related to: NAP services as eligibility orientation, nutritional education and fraud prevention. This priority is to improve the quality of life and help the needs of communities with social and economic disadvantages.
  - f. Reinforced the participation of NEP educators in community activities through education workshops, food selection orientation, and nutritional tips. For example, the actual collaboration with the Punta Santiago Community has been very beneficial to the residents of this community specially after the impact of Hurricane María.
5. Make collaborative interagency agreements to streamline the eligibility process for NAP participants through the streamlining of documents by sharing it in a common data base.
  6. The Family Market Program has a goal of expanding to the entire island by January 2020 in order to assure that every family has the access to fresh food. This is pending that no natural disaster hits the island as the program depends on the availability of crops.
  7. Planning for the implementation of a NAP work requirement that is also included as part of the labor reform initiative. In general, the Labor Reform

incorporates several initiatives aimed to improve labor market conditions in Puerto Rico. During this fiscal year, the program will develop a plan to implement the work requirements starting October 2019.

8. Verify and update brochure to orient the recipients about different program subjects including, family markets nutrition, eligibility, fraud prevention and job alternatives.
9. Continuing Translation of all NAP applications and forms into the English language.
10. Reach the goal established by the Measurement of Efforts and Results System (MER), related to error rate annual reports required by FNS.
11. Achieve a Timeliness Application Processing Review rate 95% for Regular Authorized and Denied Applications as follows: the obtained rate for FY 2019, months of April, May and June of the Authorized Applications was 82.01% and for the Denied Applications was 55.86%.



**Note: These applications were registered in SAIC from April to June 30, 2019**

- The Timeliness Rate is measured with information provided by the Office of Technology and Information (OTI, Spanish acronym). OTI uses the

Measure of Efforts and Results System (MER) as an instrument to evaluate and guarantee the quality and promptitude of services of ADSEF's programs.

12. Maintain the resources limit established to \$5,000 and \$15,000 to the elderly.

13. Amend the NAP regulation 8857 in order to update the requirements according to the needs. Also, explain the definition food eligibility and expose clearly the penalties regard evaluation of transaction and redemptions, according to 7CFR.

## **VI. Needs Assessment**

### **A. Economic Situation of Puerto Rico**

As in the United States, Puerto Rico has already been experiencing a serious economic slowdown. Since the summer of 2005, the Puerto Rico's economy has been in recession, experiencing a significant slowdown in job creation, economic activity, housing and trade. Some of the causes for this recession include the continuing increase in oil prices, reduced personal consumption and the financial and fiscal adjustments that have been necessary to manage the reduction in public revenues, a notable deterioration in the labor marker, and an end of expansion in construction activity. In addition, the island's fiscal problems follow years of public sector deficits; borrowing costs have surged and the island nearly lost access to debt financing in capital markets in early 2014.

One of the greatest challenges facing the local economy is the weakness in the labor market. Although unemployment remains historically high, some industries are showing signs of modest recovery thus contributing to job creation, for example the construction industry. Up to of July 2019, the economic scenario remains challenging, with the Puerto Rico Department of Labor reporting unemployment rate of 8.1% for June 2019. Some factors that have contributed to the economic recession are:

- Unemployment
- Increased core inflation
- Decreased personal consumption
- Private-sector bankruptcies
- Fall in the number of new construction projects and permits

- Migration
- Puerto Rico Government Fiscal Debt, particularly facing the Bankruptcy process

In addition to the slowing economy, personal consumption has been reduced due in part to a lower disposable income caused by unemployment and inflationary pressures.

Since the start of the recession in 2005, the Puerto Rico participation rate in labor force is still at its lowest levels in decades (40.6% as of November 2017) from a peak of 47.4% in 2008. “Employment rate in Puerto Rico is expected to be 37.40% by the end of this quarter, according to trading economics global macro models and analysts’ expectations. Looking forward, we estimate employment rate in Puerto Rico to stand at 37.0% in 12 months”.

With respect to the economic activity index (EAI), on June 2017 EAI was 122.3. Cumulative value for FY 2018 is 119.9 and reflects a reduction of 2.4. This is especially important since the EAI represents a valuable tool that reflects the behavior of four major macroeconomic indicators: total payroll employment, cement sales, gasoline consumption, and electric power consumption.

Fortunately, Puerto Rico has a tremendous set of assets to leverage to improve its economy. There is prodigious value in its climate, and its Caribbean location makes it ideal for tourism. Its economy has many strengths, including a high level of human capital and close ties with the U.S. mainland.

On July 2017, Former Governor of Puerto Rico, Ricardo Rosselló, signed into law three bills to promote economic growth in Puerto Rico and to create new jobs for small and medium-sized businesses. The new laws amended Law 20-2012, Law 22-2012 and Law 73-2008 (These seeks to attract up to \$5 billion dollars by promoting local investments in non-profits and promote investments in research and development by allowing companies - especially small and medium-sized ones - to benefit from tax incentives). Governor Rossello’s Plan for Puerto Rico is to promote small and medium-sized businesses and foster innovation and technology. With this law in effect, we will bolster service exports, while continuing to build on Puerto Rico as an attractive investment

destination. The new laws reduce the regulatory burden on small and medium-sized businesses to promote investments and job creation.

## **B. Population & Poverty**

The high poverty index and the continuing difficult financial situation in Puerto Rico affects the NAP goal of reducing hunger and increasing food security providing low-moderate income individuals and working families access to food and a healthy diet. NAP provides benefits to the needy residents of Puerto Rico for them to cope with their nutritional needs.

The SPO for the NAP formulates the participants' basic needs and, based upon them, establishes criteria for the distribution and administration of funds available for nutrition assistance. The Plan describes the Government's policies and general procedures used to determine eligibility, benefits distribution and calculation methods, organization and administrative control systems currently in use for the operation and administration of an effective program. Most of the eligibility requirements, fully described in this SPO are validated through the Automated Case Management System (SAIC, Spanish acronym). This substantially improves, the quality of the eligibility determination process, therefore, reducing the percent of errors and fraud.

Puerto Rico has as land and water area of only 13,790 km<sup>2</sup> (5,324 square miles), a coastline of 501 km (311 miles) and a population of nearly 3,411,307 (Census - Annual Estimates for 2016). This is broken down to 49% of men population and 51% of women population, 23% under 18 years old and 15% over 65 years. The population density was calculated at 391.7 people per square kilometer, on 2015 by the World Bank. Puerto Rico's population density is among the ten highest in the United States, above states such as Florida and New York. Current estimates show a decrease of more than eighteen percent (18%) of the population. For more than 50 years, Puerto Ricans have been migrating mostly to the United States due to the economic situation and the lack of work, among other reasons.

Forty-one twenty three percent (41.23%) of the population of Puerto Rico is receiving NAP benefits. Ninety point five per cent (90.5%) of female-headed families are dependent on TANF and NAP benefits as their principal sources of income. Poverty experts and aid groups said that families living below poverty level would increase over the next few years. When compared to the poorest states and other territories, Puerto Rico is the poorest.

The families, who live under poverty levels, have less than \$480.00 monthly to live on, estimate that includes government's support. The maximum allotment under NAP for one person is \$114.00 per month. Each member of 60 years or more, receive an additional 20% of benefits to the maximum allotment per month, which adds to \$134.00. Participants may receive a slightly higher amount of benefits per month depending on the monthly percentage adjustment.

### **C. Economic Perspective**

Puerto Rico continues to face increasing economic pressures. A weak labor market together with fiscal constraints, increasing oil prices and weak personal consumption, remain the main causes affecting the local economy recovery. *However, the devastation caused by Hurricanes Irma and María* created an opportunity to redesign major components of the Island's critical infrastructure, invest in the quality and resiliency of public and private buildings, and restructure and modernize and reevaluate delivery of services to residents. The Governor's vision for the socioeconomic transformation is founded on a new Government model to drive fiscal and economic stability. We are establishing a new Government which facilitates and implements strategies that achieve sustainable economic growth and provide opportunities for job growth and personal advancement. Our main objectives are:

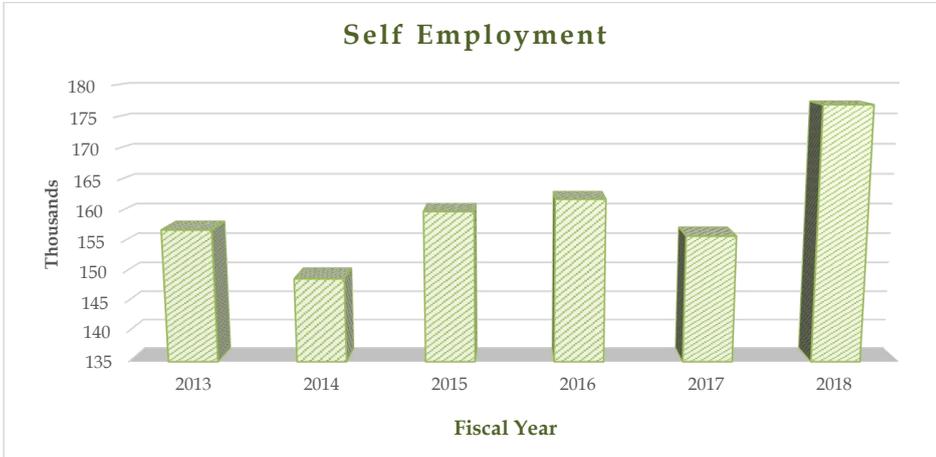
- Develop and protect human capital.
- Correct structural issues, bolster economic growth efforts, and utilize areas of opportunity.
- Improve Puerto Rico's competitiveness through less regulation, energy reform and other various structural reforms.

- Position Puerto Rico as a global investment destination.
- Upgrade policies of public private partnership investment in energy, water, waste management, and other infrastructure projects.
- Increase labor force flexibility and create high quality jobs.
- Develop a safe, educated, healthy and sustainable society.

**Employment** - As of May 2018 the number of people reported by the Puerto Rico Department of Labor and Human Resources (PR-DLHR) who were employed (seasonally adjusted) totaled 985,000. **As soon as new tables are available, we will attach them to the state plan and forward them to you.**

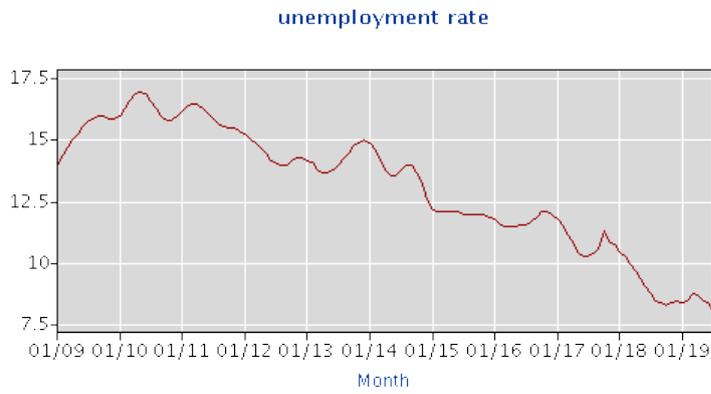


**Self-Employment** - The Estimated employment not seasonally adjusted for persons that were self-employed as of May 2019, was 177,000 as reported by the PR-DLHR.



Puerto Rico							
Data Series	Back Data	Feb 2019	Mar 2019	Apr 2019	May 2019	June 2019	July 2019
<b>Labor Force Data</b>							
Civilian Labor Force(1)		1,070.6	1,068.8	1,070.1	1,073.3	1,080.6	1,086.0
Employment(1)		979.2	975.2	977.3	981.8	990.0	997.7
Unemployment(1)		91.4	93.6	92.8	91.5	90.6	88.2
Unemployment Rate(2)		8.5	8.8	8.7	8.5	8.4	8.1

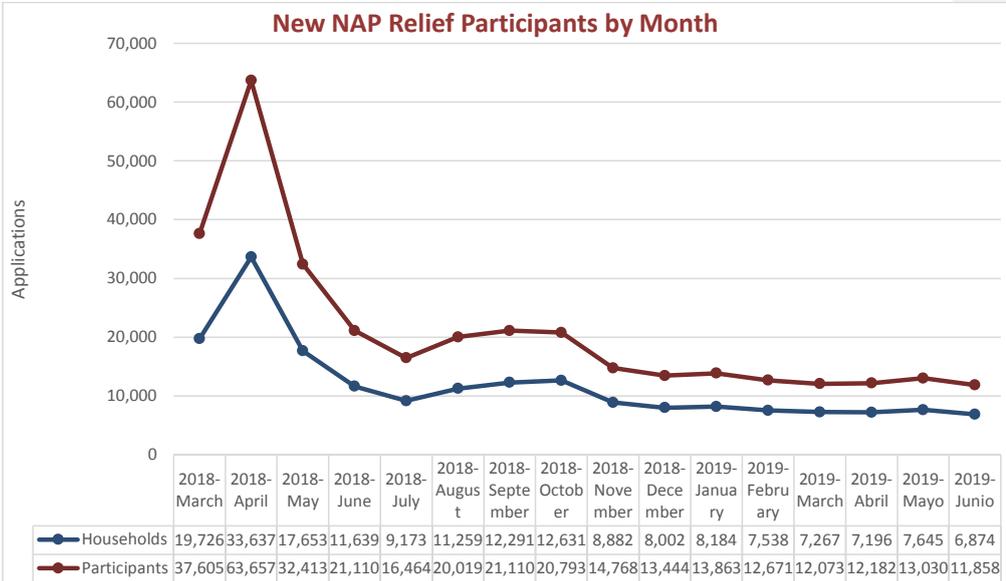
**Unemployment** - As of May 2019 the PR-DLHR indicated the rate of unemployment seasonally adjusted was 104,000. It is important to note that the unemployment has decreased representing a modest recovery in the economy as new private sector jobs and self-employment initiatives are developed.



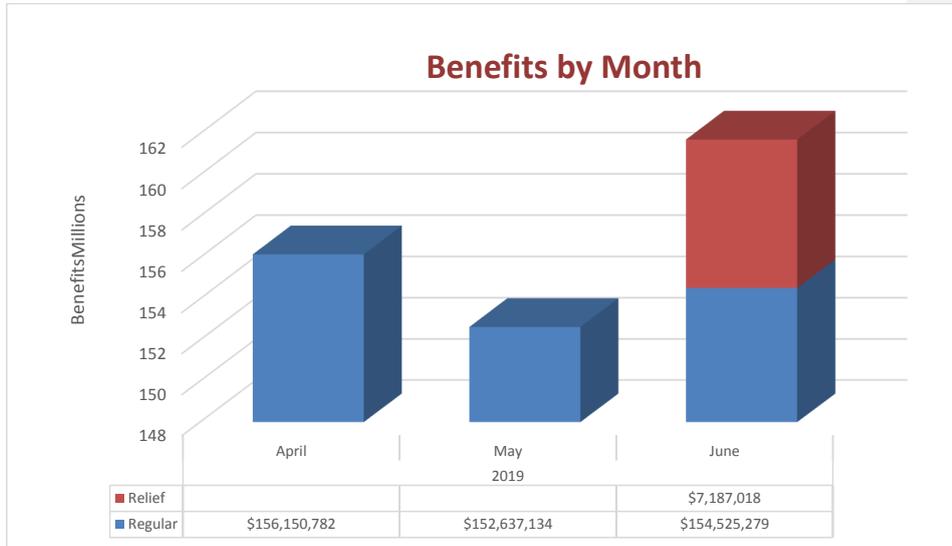
**A. Nutrition Assistance Program Participants**

Number of average household units, household members, and monthly benefits per household for FY 2018 to 2020 from the ADSEF

**Applications Statistics**



## Issuances Benefits Statistics



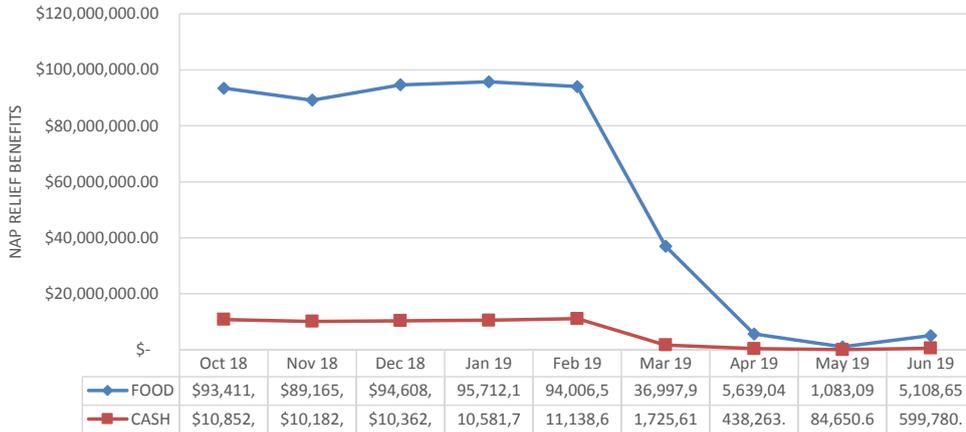
### Households by Month



### NAP PARTICIPANTS BY MONTH



### NAP RELIEF BENEFITS USAGE



### B. 2018-19 HHS Poverty Guidelines

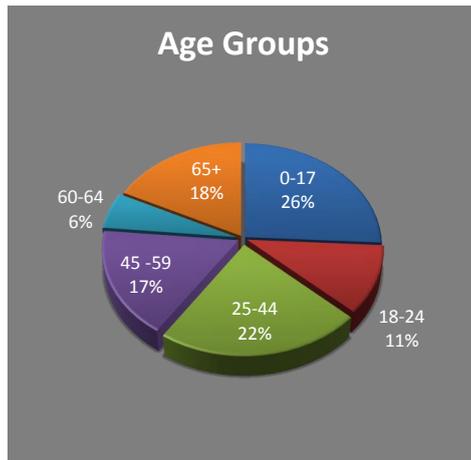
Persons in Family or Household	48 Contiguous States, D.C., Guam & Virgin Island	Alaska	Hawaii
1	\$12,060	\$15,060	\$13,860
2	\$16,240	\$20,290	\$18,670
3	\$20,420	\$25,520	\$23,480
4	\$24,600	\$30,750	\$28,290
5	\$28,780	\$35,980	\$33,100
6	\$32,960	\$41,210	\$37,910
7	\$37,140	\$46,440	\$42,720
8	\$41,320	\$51,670	\$47,530
For each additional person add:	\$4,180	\$5,230	\$4,810

### FY March 2018 – May 2019 of NAP Participants by Age Groups<sup>1</sup>

During May 2019, of 26% or 347,733 of NAP participants that receive benefits are

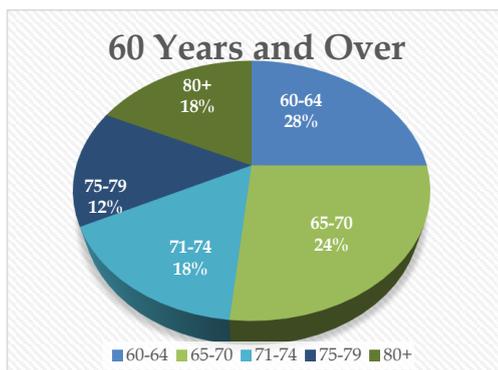
<sup>1</sup> SAIC-Case Management Information Systems.

between the ages of 0 to 17, being the highest percentage per age group. The other age groups are ages 18 to 24 with 11% (140,470), 25 to 44 with 22% (312,044), 45 to 59 with 17% (235,429), 60 to 64 with 6% (79,315), 65 or older with 18% (237,759).



**FY 2018 – May 2019 of NAP Participants 60 years and over<sup>2</sup>**

During May 2019, of 28% or 79,315 of NAP participants that receive benefits are between the ages 60-64, being the highest percentage age group in the 60 years and over category. The other age groups over 60 years are: ages 65 to 70 with 24% (84,362), 71 to 74 with 18% (52,996), 75 to 79 with 12% (48,956) and 80 and over with 18% (60,813).

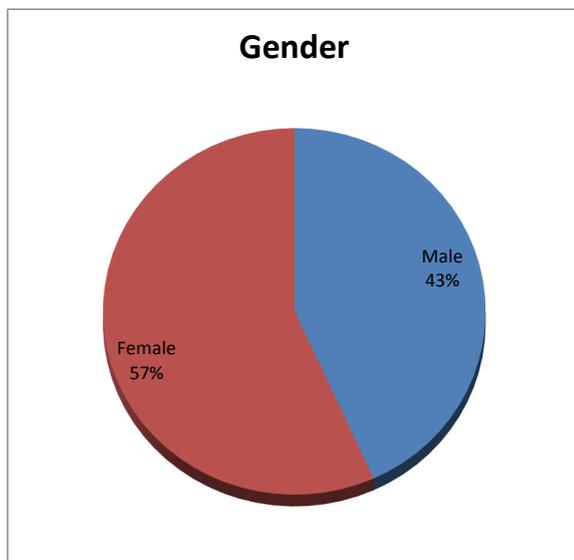


<sup>2</sup> SAIC-Case Management Information Systems

**FY 2019 June of NAP Participants by Gender<sup>3</sup>**

**(Remain the same)**

During May 2018, of participants was: 43% or 587,166 male and 57% or 770,875 females, of NAP Disabled Participants was of 114,384 and homeless NAP persons was of 4,974.



<sup>3</sup> SAIC-Case Management Information Systems



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Table with 23 columns: Municipalidad, Población, Porcienmt, Casos, Beneficio, Participante, Femenino, Masculino, Otros, 0-17, 18-24, 25-44, 45-59, 60-64, 65+, Incapacitado, Desambulante, Estudiante, Trabajo, Salario, Seguro Social, Retiro, Otros Ingresos, Sin Ingreso. Rows list municipalities from ADUNTAS to CULEBRA.



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Table with 23 columns: Municipalidad, Población, Porcienmt, Casos, Beneficio, Participante, Femenino, Masculino, Otros, 0-17, 18-24, 25-44, 45-59, 60-64, 65+, Incapacitado, Desambulante, Estudiante, Trabajo, Salario, Seguro Social, Retiro, Otros Ingresos, Sin Ingreso. Rows list municipalities from DORADO to MOCA.



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Municipalidad	Población	Porcienant	Casos	Beneficio	Participante	Femenino		Masculino		Otroc	Incapacitado					Estudiante		Seguro Social		Otroc Ingreso			
						0-17	18-24	25-44	45-59		60-64	65-	Desambulante	Trabaja	Salarios	Retiro	Sin Ingreso						
MOROVIS	31,092	90.96	7,311	2,218,968.00	28,282	15,527	12,755	0	6,686	3,214	6,318	5,257	1,992	4,815	3,737	24	6,061	3,783	1,664	9,629	331	5,378	7,156
NAGUABO	26,177	84.39	5,874	1,743,757.00	22,093	12,689	9,404	0	5,631	2,211	5,275	3,657	1,234	4,085	2,290	134	4,964	2,829	1,310	6,984	230	4,005	5,947
NARANJITO	28,306	108.68	7,997	2,469,844.00	30,765	16,869	13,896	0	7,398	3,219	7,155	5,447	1,908	5,638	4,162	20	4,795	4,704	2,122	9,771	345	7,347	6,283
OROCOVIS	21,109	118.02	6,330	1,963,241.00	24,913	13,176	11,737	0	5,830	2,732	5,686	4,948	1,571	4,146	2,451	4	4,465	3,140	1,320	8,670	246	4,711	6,782
PATILLAS	17,004	94.08	4,509	1,266,448.00	15,998	8,744	7,254	0	3,383	1,444	3,172	3,200	1,243	3,556	2,448	4	1,330	2,282	997	6,314	397	2,641	3,756
PEÑUELAS	20,447	114.01	5,789	1,826,311.00	23,312	13,009	10,303	0	6,302	2,447	5,520	4,042	1,469	3,532	1,815	14	5,219	2,960	1,390	6,239	296	6,077	6,075
PONCE	140,859	91.8	34,735	10,356,120.00	129,312	74,450	54,862	0	33,152	13,478	28,687	21,483	8,095	24,417	8,669	616	27,752	17,790	8,230	36,291	1,383	29,221	34,945
QUEBRADILLAS	23,734	97.48	6,198	1,827,361.00	23,138	12,844	10,294	0	5,363	2,360	5,440	4,198	1,487	4,290	2,119	20	4,220	3,720	1,692	7,999	246	4,641	4,450
RINCÓN	14,128	89.62	3,532	999,982.00	12,662	6,885	5,777	0	2,620	1,278	2,833	2,412	852	2,667	820	26	1,408	2,391	1,064	4,292	273	2,330	2,453
RIO GRANDE	50,128	70.27	9,482	2,796,134.00	35,227	20,418	14,809	0	8,791	3,431	7,504	6,104	2,048	7,349	2,490	32	3,910	4,941	2,314	11,443	428	8,398	7,715
SABANA GRANDE	22,690	83.06	4,943	1,467,090.00	18,844	10,636	8,212	0	4,526	1,825	4,246	3,350	1,209	3,692	1,416	16	4,072	3,287	1,434	6,083	386	4,250	3,545
SALINAS	28,216	88.04	6,861	1,975,794.00	24,843	13,951	10,892	0	5,939	2,380	5,315	4,284	1,389	5,138	2,393	12	4,701	3,641	1,602	8,620	377	5,466	5,423
SAN GERMAN	31,634	86.37	7,301	2,172,905.00	27,342	15,172	12,170	0	6,479	2,528	6,051	4,812	1,722	5,730	1,824	28	5,257	4,614	2,063	8,842	410	6,380	5,086
SAN JUAN	337,288	59.45	56,790	16,103,803.00	200,533	121,563	78,965	5	57,367	20,736	44,658	30,518	11,509	35,745	10,823	3738	45,784	26,500	12,479	47,498	1,316	45,896	67,610
SAN LORENZO	37,379	88.94	9,346	2,639,351.00	33,246	18,745	14,501	0	7,342	3,107	7,001	6,462	2,478	6,856	3,774	16	5,392	5,191	2,371	12,284	385	6,626	6,690
SAN SEBASTIAN	37,306	105.66	10,790	3,184,675.00	39,418	21,825	17,593	0	8,763	3,950	8,465	7,121	2,669	8,432	3,640	12	7,160	6,090	2,620	13,608	457	8,433	8,622
SANTA ISABEL	21,863	80.9	4,716	1,389,025.00	17,688	9,875	7,813	0	4,281	2,002	3,913	3,154	1,066	3,272	1,407	41	3,706	2,716	1,077	5,508	312	3,649	4,805
TOA ALTA	73,217	57.84	11,003	3,347,586.00	42,350	24,341	18,007	2	11,179	4,612	9,701	7,111	2,550	7,197	3,345	14	9,635	6,389	3,016	12,121	347	11,776	8,153
TOA BAJA	78,092	57.72	12,513	3,608,456.00	45,081	26,876	18,205	0	11,384	4,414	9,959	7,382	2,737	9,205	3,239	68	9,863	7,001	3,291	13,772	456	11,847	9,341
TRUJILLO ALTO	66,675	47.88	8,780	2,580,227.00	31,928	18,981	12,947	0	8,457	2,813	6,667	4,982	2,076	6,933	2,190	138	6,706	5,232	2,430	9,820	263	9,295	5,423
UTUADO	28,791	100.17	7,611	2,295,117.00	28,840	15,520	13,520	0	6,501	2,708	6,232	5,279	2,062	6,058	2,545	39	5,256	4,350	1,780	10,262	450	5,922	6,575
VEGA ALTA	37,566	81.37	8,160	2,427,684.00	30,568	17,659	12,907	0	8,111	3,243	6,889	5,286	1,853	5,186	2,742	37	7,151	4,075	1,879	9,230	394	6,995	7,775
VEGA BAJA	32,436	83.62	12,024	3,504,765.00	43,852	25,143	18,707	2	10,618	4,410	9,624	7,571	2,766	8,863	3,658	117	8,118	5,268	2,455	14,693	452	9,851	10,921
VIEQUES	8,669	85.94	2,021	591,241.00	7,451	4,107	3,344	0	2,152	695	1,701	1,238	599	1,156	460	2	1,786	1,411	620	1,750	128	1,385	2,169
VILLALBA	22,528	110.61	6,340	1,968,603.00	24,919	13,752	11,167	0	6,065	2,812	5,312	4,426	1,641	4,663	1,546	4	5,189	2,794	1,278	7,566	338	5,530	6,708
YABUCCA	33,629	102.21	9,907	2,742,911.00	34,374	18,962	15,412	0	7,566	3,492	7,271	6,832	2,436	6,777	5,526	20	6,485	3,420	1,571	13,979	434	5,545	9,799



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Municipalidad	Población	Porcienant	Casos	Beneficio	Participante	Femenino		Masculino		Otroc	Incapacitado					Estudiante		Seguro Social		Otroc Ingreso			
						0-17	18-24	25-44	45-59		60-64	65-	Desambulante	Trabaja	Salarios	Retiro	Sin Ingreso						
YAUCO	35,635	94.26	9,014	2,672,077.00	33,591	18,849	14,742	0	7,317	3,162	7,165	6,333	2,519	7,095	2,211	18	6,848	5,726	2,447	11,154	431	7,861	6,225
<b>Total:</b>	<b>3,337,177</b>	<b>78.25</b>	<b>710,584</b>	<b>207,686,484.00</b>	<b>2,611,283</b>	<b>*****</b>	<b>*****</b>	<b>35</b>	<b>642,969</b>	<b>266,262</b>	<b>580,888</b>	<b>483,986</b>	<b>163,617</b>	<b>603,461</b>	<b>212,959</b>	<b>8,608</b>	<b>604,188</b>	<b>374,216</b>	<b>170,298</b>	<b>816,899</b>	<b>31,632</b>	<b>579,658</b>	<b>642,996</b>

## VII. Criteria for Distribution of Funds

Eligibility for the NAP is determined at the local offices. The following information is an overview of the eligibility process. For complete information, refer to Regulation No. 8684, dated December 28, 2015 - Rules for Determining the Eligibility of Applicants and Participants for the NAP.<sup>4</sup>

Criteria for distribution of funds include the following items:

1. Eligibility Requirements
2. Regular Distribution Method

<sup>4</sup> <https://servicios.adsef.pr.gov/docs/ReglamentoPAN.pdf>

### 3. Benefit Calculation Method

Requirements for eligibility are mainly income level and amount of resources with minor variations aimed at simplifying eligibility requirements and reducing fraud as much as possible. Eligibility parameters are determined through the SAIC. The specific eligibility requirements are as follows in the next section.

#### 1. Eligibility Requirements

##### 1. Non-Financial Requirements

- Verification of identity
- Resident of Puerto Rico
- Completion of form “Authorization for Require the Release of Information”
- Citizen of the United States or eligible alien
- Verification of alien status
- Verification of Social Security Number of all members of household
- Enrolled in School or participation in the Home-Schooling System (5 to 17 years of age).

##### 2. Financial Requirements

Financial eligibility for NAP benefits is based on the household size and net income. Income deductions to which the household is entitled are applied before final benefit determination, in accordance with Regulation No. 8684.

#### As of F.Y. 2019

Source	Deduct
Earned Income: Wages/Salaries/Training/ Self-employment	50% up to \$600 – or Fixed \$100 if 50% is less than \$100
Income from agriculture ( <i>Bonafide</i> farmers and farm workers)	\$760
Income from approved products during harvest (coffee, tomatoes, plantains, bananas, green bananas, cassava, orange, watermelon, mango and pineapple)	100% of income

Other Income: Pensions (Child Support, Retirement, Veterans, Social Security, Unemployment) Assistance from relatives and friends	\$100
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On FY 2015, ADSEF began evaluating independently for NAP, college students that depend economically on a parent(s) who is/are 60 years or older or disabled as approved on September 16, 2014 by FNS.

### 3 Special Deductions

Source	Deduct
Student	\$100
Dependent: for each child 2 years or less	\$225
Dependent: each child / adult 2 or older	\$200
Elderly (60 years and older)	\$100*
Totally Disabled	\$100*
Recurrent Medical Expenses (Elderly and/or Disabled or Children)	\$100
Terminally ill	\$100
Standard Deduction	\$100

*\* Cannot take both Elderly and Disabled deductions*

### 4. Resources

The maximum allowable amount of resources for a household is \$5,000, except households with a member 60 years of age or older, which are permitted a maximum amount of \$15,000 in resources.

The resources of people who receive disability benefits under the Social Security Act, Temporary Assistance for Needy Families (TANF) or disability retirement benefits from a governmental agency will not be included for eligibility determination purposes.

### 5. Cash Out Policy

In compliance with Section 4025 of the Farm Bill, by August 25, 2016 ADSEF issued a

memo in order to repeal the cash out (90% NAP benefit) policy provision to NAP households leaving Puerto Rico permanently as described in Article 51 D, page 94) of Regulation 8684. The cash out (90% NAP benefit) is only allowed in cases of bedridden participants that can only be fed special foods through specialized medical equipment. The NAP Director is the one who approves the cash- out for these cases.

The Memo stated the new distribution of the benefits for the required repealing of cash. The established changes will be on effect from the following dates:

- October 2018 – September 2019: 90% Targeted Food, 10% for cash.
- October 2019 – September 2020: 95 % Targeted Food, 5% for cash.
- As October 2020, 100% Targeted Food.

Administration for Socioeconomic Development  
 Department of the Family  
 Nutrition Assistance Program

**INCOME TO BE CONSIDERED FOR HOUSEHOLD UNITS OF PERSONS 60 YEARS OR MORE AND/OR INCAPACITATED**

Income to be considered when the household unit is composed only by persons 60 years or older and/or incapacitated or in the following situations:

- \* Is responsible for minors under 18 years old
- \* Spouse is 59 years or less and does not have income (except Social Security)
- \* Is responsible of minor of 18 years and spouse is 59 years or less and has no income (except Social Security)

No.	SOURCE OF INCOME						INCOME TO BE CONSIDERED		
	Social Security (SS)	State Retirement (PE)	Federal Retirement (PF)	Private Retirement (PV)	Earned Income (ID)	Unearned Income (LND)	CONSIDER 50%	CONSIDER 100%	APPLY OTHER DEDUCTIONS
1	X						X		
2		X					X		
3			X				X		
4				X				X	
5	X	X	X	X			X Social Security	X Add State or Federal and/or Private if same or less than \$200 Monthly	
6	X	X	X	X				X Income of Social Security and the sum of State, Federal or Private Retirement if same or more than \$201 monthly	
7	X				X		X Social Security		X Earned Income (Deductions to Earned Income NAP Regulation)
8	X					X		Add Social Security Income and Unearned Income	
9	X	X	X	X	X		X Social Security	X State, Federal and Private Retirements if same or less than \$200.00 monthly	X Earned Income (Deductions to Earned Income NAP Regulation)
10	X	X	X	X	X			X Social Security Income and the sum of State, Federal and Private Retirements if same or greater than \$201.00 monthly	X Earned Income (Deductions to Earned Income NAP Regulation)
11		X			X		X State Retirements		X Earned Income (Deductions to Earned Income NAP Regulation)

No.	SOURCE OF INCOME						INCOME TO BE CONSIDERED		
	Social Security (SS)	State Retirement (PE)	Federal Retirement (PF)	Private Retirement (PV)	Earned Income (ID)	Unearned Income (LND)	CONSIDER 50%	CONSIDER 100%	APPLY OTHER DEDUCTIONS
12		X				X		X State Retirement and Unearned Income	
13			X		X		X Federal Retirement		X Earned Income (Deductions to Earned Income NAP Regulation)
14			X			X		X Add Federal Retirement and Unearned Income	
15		X		X			X State Retirement	X Add Private Retirements if the same or less than \$200 monthly	
16		X		X				X Add State and Private Retirements if Private is same or greater than \$201 monthly	
17			X	X			X Federal Retirements	X Private Retirement if same or less than \$200 monthly	
18			X	X				X Federal and Private Retirements if same or greater than \$201 monthly	
19		X	X				X Add Retirements separately (State and Federal). Compare if the result of these incomes is the same or less than \$500. Consider 50% of the greater amount.	X Consider 100% of State and Federal Retirement if the amount is same or less than \$200.	
20		X	X					X Add Retirements Separately (State or Federal). If the amount of each one is greater than \$201 monthly consider 100% of the Retirements	
21		X	X	X				X	
22		X	X		X			X	X Earned Income (Deduction of the Earned Income NAP Regulation)
23		X	X			X		X	
24		X	X	X	X			X	X Earned Income (Deductions - Earned Income NAP Regulation)
25		X	X	X		X		X	

**REMINDER:**

1. The amendments do not apply if persons that receive Retirement due to service and are not 60 years or older and/or incapacitated. When the person becomes 60 years or older or presents evidence of disability the amendments will be applied.
2. If the person is 60 years or more or disabled, the deduction will be applied in accordance with NAP Regulation.
3. These amendments will be applied only if the only source of income is unearned - Social Security, State, Federal, and/or Private.

## 1. Income Eligibility Criteria

Electronic Benefits are issued once a month and distributed in a staggered manner between the 4<sup>th</sup> and 22<sup>nd</sup> of the month according to the last digit of the Social Security Number. The 100% of benefits are issued for eligible food purchases. From October 2020, these benefits are distributed in a proportion of 95% for the purchase of eligible food items in certified retailers and the remaining 5% for the purchases in eligible food items in certified retailers and non-certified retailers. Benefits to households are assigned according to the Table of Benefits.

- 1) A cut-off date is established for the local offices by the Office of Technology Information (OTI) in order to process benefit issuance for the next month.
- 2) OTI executes the programs to obtain the total monthly amount of eligible households, persons, benefits, retroactive payments and claim deductions. This program also calculates the 20% increase for the elderly persons (60 years and older).

## 2. Benefit Calculation Method

The method for calculating benefits under the NAP takes into consideration the number of members of the household unit and their net income. The method is as follows:

Income eligibility criteria: Net income is used to determine eligibility of all household units. If the household monthly net income is less than or equal to the established limits the benefits, corresponding to the household unit is determined.

As approved by FNS the schedule exemption of income for NAP grants recipients who start a new job has been extended. Their schedule of benefit is now for 18 months as follows:

- Gross income exemption months 1-6 = 100%
- Gross income exemption months 7-12 = 66%
- Gross income exemption months 13-18 = 33%

In addition, each month NAP participants receive an adjustment in their benefit, according to a method the ADSEF has in order to distribute all the funds approved for each month, among all participants. The increase provided to NAP participants in their benefits (percentage adjustment) is based in the amount of funds to be distributed monthly according to the approved budget (available funds), less the amount of benefit authorized monthly, according to information provided by OTI (benefits issued). The result is then divided between the total of authorized benefits for each month participants, and therefore authorized for participants as their final benefit for each month.<sup>5</sup>

Example: Regular Benefits Distribution Method	
<u>October</u>	
Average monthly available fund	\$ 155,928,678.00
Total Benefits issued (include .0594 increase factor)	(152,000,000.00)
Available balance	<b>\$ 3,928,678.00</b>
<u>November</u>	
Average monthly available fund	\$ 155,928,678.00
Regular monthly benefits (no increase factor)	(126,388,536.00)
Available balance	\$ 29,540,142.00
Previously available balance (October)	3,928,678.00
Total available balance	<b>\$ 33,468,820.00</b>
$\$33,468,820 \div 126,388,536 = .2648$ increase factor for November	

<sup>5</sup> ADSEF established the percentage adjustment as a method to distribute all the NAP funds among all the participants. The calculation of the amount is made monthly and it is subject to the availability of funds.

The regions that participate in the Family Market have 4% as the designated amount that is issued as an electronic voucher and comes from the increase percentage amount of every month. For example, using the same numbers on the preceding table, the “increase factor for November” are 0.2648. The 4% of that amount, will be designated to the Family Market portion and the other portion of the "increase factor for November" as a regular benefit, which means that the percentage used for the Family Market portion will depends totally of the availability of funds related to the increasing factor.

If the final numbers do not address a complete 4% portion, the entire amount available will be part of the Family Market and it will not have an increase on their regular benefits like the regular monthly adjustment.

### **3. Certification Procedures**

#### **1. Regular**

Eligibility must be determined within thirty (30) days from the date the application is filed and signed by the applicant. Benefits are effective at the same month the application is filed, prorated according to the day of the month the application is filed: if the household applies from the 1 to 10th it is entitled to receive the same or less than 100% of the benefits. If the household applies from the 11th to 20th it is entitled to receive the same or less than 66% of the benefits. If the household applies from the 21 to 31 it is entitled to receive the same or less than 34% of the benefits. The application is considered the day it's filed and the benefit are prorated according to the application date. This process allows authorizing and distributing benefits in faster way and in the best benefit of the participants.

#### **2. Disaster Processing**

Special benefits to those that qualify according to the eligibility criteria, are provided to applicants and participants who have an immediate need for food due to disasters such as, hurricanes, storms, flooding, torrential rain, earthquakes, landslides, fire or lack of energy related to the disaster and as long no other public or private entity has provided these benefits. Benefits must be issued no later than the 5th working day from the date of the application. Benefits are prorated depending the date of the month they request the

emergency benefit. If the household applies from the 1st to 15th it is entitled to receive up to 100% of the benefits. If the household applies from the 16th to 31st will be entitled to receive up to 50% of the benefits. If a household was already participating at the time of the disaster and already received its regular benefit but needs immediate food, it is entitled to receive an additional 50% of the regular benefit amount. Benefits are effective the month following the eligibility determination.

## Observations:

President Trump signed the disaster assistance project law in which he grants an additional allocation of approximately \$ 931 million for various programs on the island, including the \$ 600 million to supplement the Nutrition Assistance Program (PAN) –available until September 2020. This represents a relief for the thousands of Puerto Ricans who still depend on these grants to be able to survive on a day-to-day basis.

ADSEF determined that the NAP table changes effective on March 1, 2019 remain the same. This includes the maximum and minimum allowable benefits. ADSEF plans to make a second deposit per month corresponding to NAP Relief funds. In this way the participant current benefit per table is unaltered and the participant receives an additional payment each month for a period of approximately 12 months, depending on available funds. Since the NAP Relief benefit is a fixed amount there may be unexpended funds that can be redistributed in additional payments.

**Table of NAP Relief Benefits**

Households	Additional Benefits
1	\$41
2	\$70
3	\$98
4	\$119
5	\$136
6	\$163
7	\$171
8	\$196
9	\$220

10	\$244
11	\$269
12	\$293
13	\$317
14	\$341
15	\$366
16	\$390
17	\$414
18	\$438

**Chart for Regular Benefits 2020**

Households	Net Income	Allotments March 2019		Prorated March 2019		
		Max Allotments	Min Allotments	Day 1-10 100%	Day 11-20 66%	Day 21-31 34%
1	\$619	\$112	\$20	\$112	\$73	\$38
2	\$1,179	\$216	\$40	\$216	\$142	\$73
3	\$1,706	\$315	\$60	\$315	\$207	\$107
4	\$2,206	\$410	\$80	\$410	\$270	\$139
5	\$2,666	\$499	\$100	\$499	\$329	\$169
6	\$3,199	\$599	\$120	\$599	\$395	\$203
7	\$3,599	\$679	\$140	\$679	\$448	\$230
8	\$4,112	\$776	\$160	\$776	\$512	\$263
9	\$4,632	\$874	\$180	\$874	\$576	\$297
10	\$5,152	\$972	\$200	\$972	\$641	\$330
11	\$5,666	\$1,069	\$220	\$1,069	\$705	\$363
12	\$6,186	\$1,167	\$240	\$1,167	\$770	\$396
13	\$6,699	\$1,264	\$260	\$1,264	\$834	\$429
14	\$7,219	\$1,362	\$280	\$1,362	\$898	\$463
15	\$7,732	\$1,459	\$300	\$1,459	\$962	\$496
16	\$8,252	\$1,557	\$320	\$1,557	\$1,027	\$529
17	\$8,766	\$1,654	\$340	\$1,654	\$1,091	\$562
18	\$9,286	\$1,752	\$360	\$1,752	\$1,156	\$595

*Household units with more than 18 members are divided into two groups.*

#### 4. Verification

Verification is required for:

- Identity
- Residency
- Authorization to require of release information
- Citizenship and alien status
- Social Security Number of all household members
- Income and resources
- Self-employment expenses
- Post-secondary student status
- Enrolled in School or participation in the Home-Schooling System of minors 5 to 17 years of age
- Care of minor or dependents with physical or mental limitations
- Disability status
- Medical expenses
- Age
- Homelessness – If the person doesn't have available their social security card, it can be verified through official documents such as: checks, official letters, Medicare card and a referral requesting social security card. Under this circumstance, the homeless person is referred to the Administration of Children and Families (ADFAN by acronyms in Spanish). Anyway, ADSEF gave to that person a timeframe of 30 days to obtain their social security number and to present and evidence of it, as described above. Their identity and residence will be verified with any source of identification available, such as an official letter of an institution offering other services. Residence can be an emergency shelter, welfare hotel; hall, park, plaza, shelter and transitional housing programs, and a home visit is not a requirement for granting aid.

ADSEF will continue to evaluate and incorporate collaborative agreements to assist in the verification of client information throughout the NAP certification process. The agreement with the Demographic Register at the Puerto Rico Health Department has

been submitted to review process and then will still be submitted to the approval of the Secretary of the Department of the Family. That permits the exchange of information regarding death certificates. ADSEF will still working on the integration of the recommendations submitted by FNS and any other that applies. Some examples are:

- Social Security Administration - Social Security Number Verification System (currently we are waiting for response to a request for meeting for program updates to do the exchange).
- Beneficiary and Earnings Data Exchange with the Department of Labor.
- Referral of fraud investigations to Internal Revenue Service, Department of Justice and Department of Treasury of Puerto Rico.

## 5. Appeal Process

The Administration will provide applicants/participants, who have been adversely affected, the opportunity to be heard in an administrative or appellate process, which must be ruled by the terms and procedures included on the Regulation Number 7757, titled: "Regulation for the Establishment of Procedures for the Adjudication of Controversies before the Adjudicative Board of the Department of the Family".

Recipients have the right to appeal any action or inaction affecting eligibility, benefits determination or condition of payment and are advised of this right with each adverse action notice. As part of the process, the adverse affected person could file an appeal within fifteen (15) days of the adverse notification date.

Applicants, participants or their authorized representatives shall be entitled to file an appeal when any of the following occurs:

### ✓ Applicants:

- Delay in acting with the application.
- Rejection of the application.
- Disagreement with the amount of assistance assigned.
- Disagreement with a condition set as requirement of eligibility.

- Disagreement with any other action taken by the Program regarding the case application.

✓ **Participants:**

- Disagreement with the decision made to suspend, reduce or discontinue the assistance.
- Disagreement with the amount of assistance assigned.
- Disagreement with a claim and disqualifications.
- Delay in making payment adjustments or in acting on a request or information submitted by the participant.
- Disagreement to return benefits the client erroneously received.

### **Filing an Appeal Application**

1. The applicant or participant or an authorized representative to act on his behalf may file the appeal application. The agency shall accept any verbal or written expression of the applicant or participant indicating the desire to appeal the determination of the agency within fifteen (15) calendar days after the date of the written notice of action taken with the application or the case.

- The applicant shall be given the opportunity to express if he wishes to continue receiving the benefits without changes until action is taken regarding the appeal. The corresponding office shall proceed according to the appellant's preference.
- The participant shall be informed that if he decides to continue receiving the benefits without any adjustment and the Board of Appeals confirms the action, he shall have to reimburse the ADSEF for any benefits received during the appeals process.
- The appellant shall be informed that if accepts that the recommended action and the decision are in favor the benefits not issued during the process shall be restored to him.

2. Once the appeal application was received, the Board Director or the Examiner Official will have thirty (30) days for select a date and send a notification to all the parties indicating date, time and place where will be celebrated the adjudicative hearing. That notification must be sent at least fifteen (15) days before the selected date.
  - Usually, as an informal process, the hearings will be celebrated on a place where the regional offices are located, but also can be arrange a hearing at the central offices of the Department of the Family, or at any other place near the local office because all depends on the availability of the place and the persons.
3. After the hearing process and within thirty (30) days of it, the Examiner Official who presided the hearing will prepare a resolution draft or a written report with recommendations, facts determinations and legal conclusions for the Board members consideration.
4. The members of the Adjudicative Board can confirm the recommendations included on the resolution draft or may deny all the conclusions and expose another opinion about the matter. The final decision should be made within ninety (90) days of the initial hearing.
5. Any petition for the reconsideration of the Board decision must be presented within twenty (20) days counted form the file in the records of the notification of the Board resolution and the Board shall consider it within fifteen (15) days of the presentation date.
6. As stated before, the final resolution must be presented and filed on records within ninety (90) days of the reconsideration were presented.

## VIII. NEW WORK MANDATE

For reference purposes, Federal regulations at 7 CFR §273.24 require able-bodied adults age 18 through 50 with no dependents (ABAWDs) to meet an ABAWD work requirement as a condition of ongoing SNAP eligibility.

- The NAP (Puerto Rico) Work Requirement ABAWD Time-Limited Benefits policy applies to able-bodied adults without dependents (ABAWDs) who are between the age of 18 through 50 and are receiving NAP.
- ABAWDs are a subset of the Work Provision NAP population. An ABAWD must meet all the general Work Provision rules, like register for work and not voluntarily quit a job. When the Work Requirement policy is in effect (October 2019), it requires an ABAWD to also meet certain special NAP work rules in addition to the Work Provision Requirements. The ABAWD must work at least 80 hours per month, or participate and comply with a NAP Program activity, or take part in an approved job fare program, or perform community work for the required number of hours per month, or a combination of these to meet the required number of hours per month. In the first year of implementation the NAP Work Requirement Provision, the participants will have a phased in approach in which they will not be penalized the first year. ADSEF's idea is that the second year, they will have 9 months with eligibility 3 months with no eligibility. The third year, they will have a 6 month with eligibility on 6 months without eligibility ; and the fourth year they will have 3 months on 9 months off limit. This is called Time-Limited Benefits. Currently, ADSEF is in negotiations with the Fiscal Oversight Management Board regarding the implementation of the work requirement.
- On the other hand, the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA") was enacted on June 30, 2016, by the United States Congress to establish the framework for a government and budget restructuring process and halt any litigation in cases after a default. The establishment of the Financial Oversight and Management Board of Puerto Rico ("FOMB" or "Oversight Board"), is responsible of overseeing the process for restructuring the government's debt and expedited procedures for approving critical infrastructure projects to alleviate the Puerto Rico's government-debt crisis. PROMESA

also authorizes the Oversight Board to designate a territory or territorial instrumentality as a "covered entity". Once the covered entity is designated it will be subject to the terms of PROMESA. On September 30, 2016, the Oversight Board designated the Government of Puerto Rico and certain other territorial instrumentalities as covered entities under PROMESA. As a covered entity, Puerto Rico was required to submit a ten (10) year fiscal plan. On April 2017, the Oversight Board certified the Government's proposed 10 years Fiscal Plan.

- After Hurricanes Irma and Maria, the Oversight Board determined that the Government should submit a revised Fiscal Plan. In compliance with this mandate, the Government submitted the New Fiscal Plan for Puerto Rico ("Commonwealth Fiscal Plan"). Even though, there are big differences between the Executive (Governor) and the FOMB in many issues, such as pension reform and labor reforms; there is an alignment in the need of implementing a work requirement for NAP participants qualification.
- The FOMB Fiscal Plan includes its proposal as part of the Human Capital and Labor Reforms. This requires that a work requirement be phased in over a year period. Beginning Fiscal Year 2019, participants will have a phased in approach in which they will not be penalized the first year. The second year, they will have 9 months on 3 months off limit. The third year, they will have a 6 month on 6 months off limit; benefits for six (6) months, and by Fiscal Year 2020, participants will be subject to work requirement after receiving benefits for three (3) months. Targeted participants are able-bodied whose ages range from 18 to 50. Exceptions would include: (1) participants under 18 years and over 50, (2) parents with dependents under 8 years, (3) medically certified unfit for employment, (4) the primary caregiver for a person with a medically certified disability that requires round the clock help. Under this proposal, paid work, voluntary work, training, education and job search would qualify as work. In addition, the FOMB Fiscal Plan establishes that any savings derived from the implementation of the work requirement must be redistributed to beneficiaries.
- However, some characteristics of the Puerto Rico's NAP-ABAWD population continues facing severe barriers to employment including disabilities, chronic substance abuse, mental illness and previous incarceration. In addition, the lack of basic workplace skills

and illiteracy play a major part in preventing employment. ADSEF is strongly addressing these barriers, and they are working with their partners at the Department of Labor, Health, Economic Development, Rehabilitative Services organizations, the Department of Justice and the Workforce Investment Act (WIOA), to address the challenges.

- Most of Puerto Rico was devastated by Hurricane María and they are still recovering from the impact. Some population migrated out from their cities to states (within continental US) or metropolitan cities in Puerto Rico searching for a job. Unemployment rate in these cities is very high and labor market is scarce; so, participants living in these localities face scarcity of available jobs. Since the economy is slowly growing in Puerto Rico, we solicit authorization to start a **(a) work, (b) a voluntary-work, and (c) Training and Education** requirement provision on those economics areas where we comprehend NAP participants can access to a job or a voluntary community job. ADSEF will start the work provision gradually, beginning for example, with a region in October 2019, and will continue for a six-month (6) period until reaching all the regions. The work-plan will assist NAP's beneficiaries in developing specific skills, learning, schooling, talents, tutoring, training and other abilities and aptitudes to perform a job and be part of the work society.
- The above mentioned approach will allow recipients to receive NAP benefits without being restricted to the time limit provision, we are aware that under our current circumstances it will be uphill to meet the work requirement as it is. ADSEF/DF will prepare to face this mandate requirement on October 1<sup>st</sup>, 2020.
- As it has been previously discussed with FNS, the current Administration has determined to pursue a work requirement implementation according to the Government public policy. The Administration of the Socioeconomic Development of the Family (ADSEF by its Spanish acronym) has begun preliminary conversations with FNS for its guidance and support during the implementation process. Given current labor market and funding constraints, and preliminary recommendations from FNS, the current administration has determined to minimally modify its original proposal, and limit what qualifies as **(a) work, (b) voluntary-work and (c) Training and Education**. ADSEF will establish a partnership with the Department of Labor, Health, Economic Development, Rehabilitative Services organizations, the Department of Justice and the Workforce Investment Act (WIOA), to address the challenges.

ADSEF and the agencies involved will partner in this new initiative and provide the services at Career Centers located in various municipalities of Puerto Rico. The Departments will develop a program where ABAWDs will be first identified and invited to voluntarily participate. Upon responding and signing a Release of Information Form participants will sign up for an orientation that mark the beginning of their employment and/or training program. While the agency gets prepared in the first Region to notify participants about the new provisions beginning in October, it is simultaneously interviewing, hiring and developing assessment tools for a good performance. Also, regarding training and employment compliance the agency is evaluating additional support alternatives for the regions to ensure the services. A system of train the trainer is being considered as a long-term alternative, as well as the use of all ADSEF resources. Recipients will get to know about the new requirement through an intense media campaign involving direct participation from ADSEF's regional and local offices, radio, newspaper, and other areas frequented by our NAP participants; in addition to, the MOU's among private, government and community organizations.

In order to implement the work requirement, ADSEF is seeking approval from OGP for the money required to hire the technicians, and would ask FNS to use \$4.3 Million dollars for the Work Requirement Implementation. Puerto Rico will provide a 50% matching from administrative costs. These funds will be used for hiring 300 technicians, 50 supervisors and any expenditure related to the provision.

#### *Eligibility*

- Eligible participants should be between ages 18 and 50
- Participant should work an average of 20 hours per week or 80 hours a month

#### *Exceptions:*

- Participants under 18 or over 50 years of age
- Participant is primary caregiver for dependent
- Medically certified as physically or mentally unfit

**Work should include:**

- Paid work
- Voluntary work
- Trainings and education

**Regulations**

- Sign Memorandum of Understanding (MOU’s) with Department of Labor, other government agencies and non-profit organizations
- Develop Implementation Plan
- Develop/implement systems for compliance and reporting
- Monitoring
- Staff training at central, regional and local offices

**ADSEF NAP State Plan of Operations 2019-20  
Progress Report MOUs**

Agency	Complete	Status
<b>Department of Health</b>	<b>X</b>	
<b>Department of Health-WIC</b>		Document is at the Department of Health for the Secretary’s signature.
<b>Department of Labor-Unemployment insurance information</b>	<b>X</b>	
<b>Department of Labor-available jobs information</b>	<b>X</b>	
<b>Treasury Department</b>		Draft sent to the Treasury Department for review.
<b>IRS/WIC</b>		In Progress waiting for signature
<b>Housing Department</b>		In Progress waiting for signature
<b>ASUME- child support information</b>		Document is at ASUME for the Administrator’s signature
<b>Department of Correction and Rehabilitation</b>		In Progress waiting for signature
<b>Social Security Administration</b>		Pending
<b>Department of Economic</b>	<b>X</b>	

Development- job opportunities		
Department of Education- job training	X	
CRIM-property information		Pending
ADEA	X	
WIOA MOUs (15)	X	General Agreement signed by DDEC, Department of the Family Secretary and ADSEF and effective from 2019-2024.

### ELECTRONIC BENEFIT TRANSFER (EBT) – FAMILY CARD (FC)

Benefits are issued and deposited electronically into an EBT account. The EBT service is provided by EVERTEC Group, LLC, who has been contracted by the Government of Puerto Rico up to September 2020. Government at present is evaluating an RFP to establish the continuation of contract procedure for the EBT benefits and a fare competition.

Benefits in the EBT account are accessed only by using the Family Card (FC) issued to the head of household or another authorized representative by ADSEF. It is important to state that the Family Card cannot be used outside of Puerto Rico.

The 100% of the NAP benefits are issued for food purchases. For FY 2020 these benefits are distributed in a proportion of 95% in benefit for the purchase of eligible food items in certified retailers and the remaining 5% in cash for purchases of eligible food items in certified retailers and non-certified retailers.

6. Family Markets - There is a portion of the benefits participants receive through the FC, which now has a portion of 4% of all the participants' benefits (resulting from the percentage adjustment of the regular benefit funds) that's exclusively for consumption in the Family Markets in the regions and municipalities where the Family Markets have been established. The 4% portion is included in the monthly adjustment as an "electronic voucher" and is calculated applying the formula of the monthly adjustment. An example of the formula can be the following:

- \* The monthly percentage adjustment amount is calculated and 4% of the Family Market portion is subtracted from that number. If the total percentage adjustment is 10%, a 4% will be part of the Family Market portion and the remaining 6% is given as regular benefits among all the participants during that month.
- \* If a participant does not reside in a region with Family Market, will receive their regular benefit (base) plus a 10% of monthly percentage adjustment as his regular benefit; but if the participant reside in a region with Family Market will receive the regular benefit (base) plus 4% for the Family Market portion and 6% of monthly percentage adjustment.

7. Any transaction made at authorized retailers involving eligible food purchases is at no charge or additional fee to the participant. After the second withdrawal of cash from an ATH, each transaction has a charge of \$0.40.

The FC is issued over the counter (OTC) at the local offices of ADSEF. Each authorized cardholder selects a personal identification number (PIN) at the Point of Sale (POS) terminal in the local office. A single card and PIN are required to access benefits remaining available in EBT accounts. The FC is also mailed to the participant address, and the PIN number is mailed in a different date, with the instruction for the activation of the FC.

Recipient guidance includes the use of the audio response unit (ARU) and access to a Customer Service Representative (CSR) using a 1-877-467-4832 number, available 7 days a week, 24 hours a day. The guidance provides:

- How to report a stolen or lost card.
- How to inquire about account balances.
- How to obtain information about previous transactions.
- The participant can change the pin number calling our customer services representative.

Eligible food means any food or food product intended for human consumption except alcoholic beverages, tobacco, hot foods and hot food products prepared for immediate consumption.

As part of the benefit assignment process, the Article 51(G) of NAP Regulation Number 8684, states that when the person in charge of services or their representative, doesn't access the benefits in the account for more than 60 days, the account is inactivated or called dormant. In those cases, the participant shall have justified cause and present it to the local office. ADSEF will consider a justified cause any extreme circumstances that participants present, like for example physical or mental illness for prolonged time; familiar emergency that implies outside trips; hospitalization or death of the participant.

If the person in charge of services or their representative doesn't access the benefits in the account for a period after the 60 days of dormant status, the participant's benefits are reverted to the program, which is called expunge. When the 120 days are reached, the available funds on the inactive account are transferred back to participants' benefits account so it can be redistributed again, among all NAP participants. The cash and the benefit portion are considered one whole account for clients.

In terms of the Family Markets benefit, the pocket that manages these funds doesn't have dormant process, which means that when the 120 days are reached, expunge is applied so the available funds on the Family Market pocket are withdrawn even if the case is still active on the food and cash benefits pockets. The expunged funds from the Family Market are transferred to the general benefits pocket of the NAP Grant.

The terms regarding dormant and expunge status cases can have some changes during 2019, because the EBT process are under revision and their company, EVERTEC, plans to complete the conversion process of their platform during 2018 calendar year.

If expired status is applied as of 180 days from the day of authorization of the benefit

(it does not depend on the client's activity). The Program will remain open even if it has benefits in expired status; these benefits are removed from the participant's account and applied to the agency.

**The EBT cards are kept in the vault at the finance Division Central Office:**

- A) *At the Central Office, the inventory oversees the Supervisor of Conciliations.*
- B) *In the local offices it is the responsibility of the Director of the local Office or personnel authorized by the Director*

**G. CALL CENTER 3-1-1**

The Call Center 3-1-1 is a service provided to clients and potential clients who apply for NAP benefits by calling telephone number 3-1-1, and to advise these potential clients of the necessary requirements to determine eligibility. It also provides general guidance on the NAP requirements, certification services, complaints regarding possible violations to Regulation 8684 (NAP Regulation) and 8857 (NAP Retailers Regulation). The 3-1-1 call center can be used to report client and retailer fraud. Once the 3-1-1 representative receives the complaint, they refer it to the Director of the Programmatic Integrity Division (Spanish acronym, DIP)

Once the call is received, the operators will primarily determine eligibility through the Family and Individual Benefit System (SIBIF, Spanish Acronym). After the pre-determination of eligibility, an appointment is scheduled within ten (10) working days to visit the corresponding local office for complete the process of the application.

If the potential client is in urgent need of benefits, they must call 3-1-1 to make an appointment as soon as possible for be referred to the nearest ADSEF's Local Office for necessary action. This permits ADSEF to fully comply with its mission, while reducing an unnecessary workload at the local offices and the duplicity of efforts in the different programs. This also offers a superior service to the clients. In this way,

the technician's focus on cases where a pre-determination of eligibility is made, liberating their time for other pertinent matters such as recertification, changes reported, claims, etc.

As stated before, this service facilitates the process of pre-determination of eligibility for NAP applicants and orientation is given to the potential client of the documents that needs to present now of the scheduled visit to the local office. SIBIF permits ADSEF an additional service for potential clients to access services in a simpler manner. Also, SIBIF System is available on ADSEF's webpage, to predetermine eligibility. In other way, the 3-1-1 help center also assists local offices issuing the NAP certification. This allows recipients to determine eligibility prior to visiting the local offices to obtain the NAP certification and permit to receive government benefits or other services.

## **IX. Program Administration**

The ADSEF administers the NAP. Administrative and support functions are accomplished through the normal administrative channels of the Administration. The Organizational Chart of the Administration for Socioeconomic Development of the Family and the Regional and Local Offices are presented in this document.

### **H. Office of the Auxiliary Administrator for Operational Services**

The Office of the Auxiliary Administrator of Operational Services is responsible for the planning coordination, organization, direction, supervision and evaluation of the administrative, operational and programmatic functioning of all the activities related to the units appointed to this Office. This office is composed of two Divisions, Programmatic Administration and Strategic Planning. The Auxiliary Administrator for Operational Services participates actively with the Administrator in the formulation of public policies and is responsible for the State Plan of Operations. The Divisions oversee implementing the policy changes and developing regulations and procedures required for the operation of the State Plan. The Programmatic and Administrative units assigned to the Divisions are in the next section.

## **1. Division of Programmatic Administration**

- a. Food and Nutrition Services
  - i. Nutrition Assistance Program (NAP) - Benefits are deposited in the Family Card, through the EBT System.
    - a) Nutrition Education Program (NEP)
    - b) Family Market.
  - ii. The Emergency Food Assistance Program (TEFAP)
    - a) Soup Kitchen
  - iii. Child Care Food Program (CCFP)
- b. Administration for Children and Families
  - i. Temporary Assistance of Needy Families (TANF)
  - ii. Low Income Home Energy Assistance Program (LIHEAP)
- c. Economic and Social Development Opportunities Program (PODES)

## **2. Division of Strategic Planning**

### **a. Programs and Plans Unit**

This Unit responds directly to the Auxiliary Administrator of Operational Services and has the responsibility of planning, evaluating, measuring and producing the statistics of programs in charge of to the Office of the Auxiliary Administrator for Operational Services and any other Administrative units within ADSEF. Some of the duties of the Plans and Programs Unit are:

- Ensures the compliance with the execution standards as established in the work plans of each area.
- Administers the Measures of Efforts and Results System (MER).
- Identifies the areas that must be improved in order to request the Program Directors the preparation of strategies and Corrective Action Plans (CAP's).
- Develops evaluation strategies to measure quality and quantity of ADSEF's services.
- Administers the Random Moment Sampling System (RMS) for Cost

Allocation.

- Evaluates the application of the Federal Regulations, Instructions and Procedures of NAP.

ADSEF is ultimately responsible for compliance at the sub-grantee level. In addition, it is responsible for informing the sub-grantee of the applicable federal requirements and any administrative requirement.

**i. Description of the Measures of Efforts and Results System (MER)**

The MER System is used to evaluate the accessibility, accuracy, and timeliness of services provided by the NAP through case reviews conducted by the ADSEF. The objectives of the reviews are to provide a:

- Systematic method of measuring the accuracy and timeliness of eligibility and benefits determinations;
- Basis for determining a payment error rate of active and negative cases;

The ADSEF is responsible for conducting quality control reviews of NAP cases. The focus of this review depends on the selection of a sample. MER results are used to assess the accessibility, accuracy and timeliness of the services offered by the NAP case reviews.

The Office of Technology and Information (OTI) select a sample of all the nucleus of service centers that are participating in the NAP. The sample consists of 1,800 cases; 1,200 of those are active cases and 600 negative cases. The total sample is divided into number of 450 cases per quarter four times in the FY (December, March, June and September). The sample of active cases is reviewed to determine if the nucleus of service is eligible and is receiving the correct amount of benefits. The negative cases are reviewed to determine whether the decision to deny or terminate the services was correct.

The budget month is used as the basis to verify all elements of eligibility resulting in the sample month, for example we use monthly sample of December and budget month of October. The data obtained from the research will be shared with the regional and local office through the ADSEF MER-01-C and 01-D for reporting detected errors. The local office prepares a corrective action plan to address the mistakes and report the taken actions through the ADSEF-213. The Regional Office provides follow up to the findings checking the MER Findings Control Sheet.

The reviews include the examination and verification of eligibility elements (examples: resources, income, identity, address, household composition, citizenship/residency, social security number, work registration and school attendance) will be reviewed. The benefit calculation will be reviewed (examples: deductions and household composition) through contacts with collateral sources of information, face-to-face interviews to all clients and data exchanges with other agencies.

For that instance, the tolerance level established in error is 4.5% for the positive sample (active cases) and 6% in negative cases. Certification of the percent in error obtained is sent to FNS, 6 months after the end of the federal FY. The annual report of MER findings shall be submitted 90 days after certifying the percent in error.

ii. **Description of the Random Moment Sampling (RMS)**

The Random Moment Sampling System (RMS) is a procedure that scientifically gathers information to distribute costs among assistance programs administered by ADSEF. The federal government requires some form of cost allocation for employees who provide services to more than one Program. Random Moment Sampling (RMS) is the cost allocation process used by the Administration of Socioeconomic Development of the Family to allocate the administrative funds corresponding to the operation of federal programs administered by ADSEF.

To comply with the requirements of FNS, ADSEF will implement a new RMS

for central office employees which required the development of the following:

- The personnel of the central office that will participate in the RMS to complete or approve the samples was identified.
- An Observation Form was designed on an electronic spreadsheet including the programs and activities, and their code for RMS.
- Each activity and its description were incorporated on the sample sheet. The ADSEF employee will complete the sample based on the specific activities in the ADSEF-160 Observation Sheet in the RMS tool.
- RMS training presentation.
- Participant distribution list for RMS training schedule.
- RMS pilot process.

The Office of Technology Information Systems (OTI Spanish, Acronym) provides digital samples divided by four (4) quarters in the year. Hence, it is necessary to keep the system functioning efficiently in order to obtain exact and real results that make it possible to distribute the operating expenses of programs financed with federal funds, since all the activities are concentrated on the Social and Family Assistance Technicians, who carry out the task for all the programs.

The fact that this system is available at the Central Offices helps expedite the management, collection, distribution, and tabulation of data samples through RMS. The improvements achieved helped to improve significantly the required efforts to manually prepare and classify the hand-written forms by means of eliminating the information interchange between case workers and Central ADSEF.

To guarantee that this process is performed according to the Manual of Procedures of the RMS, we are conducting reviews at the local offices with the RMS Coordinator at the Central Level. The responsibility of the RMS is designated to the Central Level Coordinator of RMS. This coordinator evaluate results, gives follow up to the process of responding the sample

cases and evaluates periodically that the RMS is being applied accordingly checking the data entry, among other responsibilities.

The RMS pilot is ready to be implemented when the RMS tool is adapted effectively to the central office process, participants are trained, and the system is validated. For the RMS pilot 300 samples will be administered to approximately 80 participants of administrative and program support offices. The Supervisors will approve the activity, date and time in which the samples will be completed by the employees. The Directors will do follow-up to their team to comply with the RMS process.

After the RMS pilot the process and outcomes will be analyzed to determine its effectiveness and needs for improvement changes. The results will be communicated to FNS for recommendations and approval.

The selection of a sample of employees will be determined to implement the RMS the next quarter period. The number of RMS samples per quarter period will be 300 for a total of 1,200 each fiscal year.

#### **b. Office of Inspection and Certification**

The Office of Inspection and Certification (OIC) is responsible in developing, implementing, and managing systems, procedures and personnel to enable retailer and wholesaler control and inspection functions. OIC accomplishes its mission mainly carrying out two main activities: education and orientation, and on-site inspections.

##### **i. Education and Orientation**

OIC is focus in oriented towards keeping retailers, wholesalers and beneficiaries informed of the objectives and requirements of the Nutrition Assistance Program (NAP). The education is given during on-site visits to retailers and is special workshops regard fraud prevention. As we agree with FNS, OIC hired four Inspectors, using Nap Relief Funds, to visit the total of certified retailers.

One tool used in monitoring this information is the on-site monitoring. During on-site monitoring OIC personnel ensure that all personnel working in the establishment are aware of NAP rules and regulations. New retailers and wholesalers must sign as certifying that they have received and understand Regulation Number 8857, dated November 23, 2016, for the Certification of Commercial Establishments, authorized to debit NAP Program Funds from the Family Card. Authorized retailers and wholesalers, must sign a sworn statement certifying that they and their employees have received and understand the regulation.

**ii. On-site Authorizations, Reauthorizations and Monitoring**

The Regulation Number 8857 provides an inspection visit as a requirement for the initial authorization and bi-annually recertification. As part of that process, OIC visits and evaluates all new retailers and wholesalers, to verify that information provided on the application is accurate for authorization. Also, ensures that the food inventory is adequate and compatible with the Program goals. Periodically, the OIC personnel visits retailers and wholesalers randomly to verify that the Electronic Benefit Transfer (EBT) management process is in accordance with procedures.

Due to lack of staff request authorization to hired additional staff to support OIC duties. For that matter the state has been hired and performance inspections and certifications duties.

At the same time, the OIC employees or contractor ensures trough their visits, that the Authorization Certificate and the orientation posters are exhibited in a visible area of the establishment. As part of the plan, OIC verifies the NAP redemptions for at least the previous 12-month period prior to the visit, with the purposed of determine if redemptions are possible based on inventory analysis. OIC personnel are required to take pictures of inventory and facilities during their visits.

ADSEF may disqualify any authorized retail food store as the result from a finding of a violation on the basis of evidence that may include facts established through on-site investigations, inconsistent redemption data, evidence obtained through a transaction report under the EBT system, or the disqualification of a retailer from the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). This is based on 7 CFR 278.6.

As part of the Regulation 8857 penalties, ADSEF can fine the commerce who violate the NAP policies and depending the action, their commerce can be permanently disqualified of the NAP debit authorization. For most of the irregularities the first option will be a fine, but for fraudulent actions the only option will be the revocation of the authorization. On any cases that demonstrate a repetitive pattern of irregular transactions, ADSEF can suspend the certification of the commerce up to any given time, and/or can dictate a permanent disqualification. All decision will be subject of full analysis and interpretation of the Regulation. In any case of reoccurrence, the penalties will be as follows:

- i. If have one (1) previous determination of violation to the Regulation, the suspension will extend up to six (6) months and a fine.
- ii. If have two (2) previous determinations of violation to the Regulation, the suspension will extend up to twelve (12) months and a fine.
- If have three (3) or more previous determinations of violation to the Regulation, the suspension will permanent and a fine.

ADSEF has a system to determine eligibility and case management of merchants that interest to use NAP funds, Commerce Eligibility Determination System (acronyms in Spanish as SDEC). The system has been evaluated and is undergoing some updates regarding security, reports and the data process.

The new EBT platform will provide more information and reports to monitor authorized retailers and participant's transactions. We expect this platform to be available by March 2019. This application allows filters for any information displayed in the monitor, shows case numbers and authorizations, show the persons that have been recently working in the merchant, show the order of merchants' integration as ADSEF's merchants and print any information needed, among others. This determination depends of a sign of a fourth amendment of the contract between EVERTEC and The Government of Puerto Rico (now Department of the Treasure).

ADSEF will continue to monitor the institutions (group homes/rehabs, etc.) that have been certified by OIC. The ADSEF is not making a mandatory certifying/authorizing process to their institutions under Regulation Number 8857, because this kind of certification is voluntary. This Regulation includes information regarding the requirements to be certify as an institution, so that they can consider the realities and needs of other institutions like shelters and elderly care centers, among others.

#### OIC Statistics from June 2018 to May 2019

Retailers	Amount
Certified retailers for the first time	419
Canceled retailers' authorization	1,592
Denied retailers authorization	46
New request for authorization <sup>6</sup>	406
Reauthorized retailers <sup>7</sup>	2,862
Reinstalled retailers <sup>8</sup>	852
Visited retailers <sup>9</sup>	2,492

### iii. Requirements to Debit Nutrition Assistance Program (NAP) Funds

<sup>6</sup> As of May, 2019 these requests for authorization were already processed.

<sup>7</sup> Retailers have to follow the established procedures on Regulation Number 8857 in order for them to be reauthorized.

<sup>8</sup> A store may be reinstalled according to the established procedures if they pay the imposed penalty. A store may also be reinstalled if they present the established documents as part of their reinstallation.

<sup>9</sup> OIC visits the store when there is an ongoing investigation, when the owner changes, when sales are not reflected on DATA WAREHOUSE and other random visits.

**from the Family Card (FC)**

(a) Any person that is an owner or operator of an eligible business, as established in Regulation Number 8857 that requests authorization to debit Nutrition Assistance Program (NAP) funds from the Family Card (FC), will have the obligation to request a certification for such purposes. ADSEF will issue that certification.

(b) Any establishment that wants to participate or renew its authorization must file an application. The application will contain information that will allow a determination in terms of the applicant's qualifications, or continuation of such qualifications, to receive the authorization. ADSEF has the authority to approve or deny the application or request additional information within thirty (30) days after receipt of the original application. ADSEF may carry out visits at least once per year to retail or wholesale establishments in order to confirm that the establishment is eligible for authorization or reauthorization, according to Article 13(B) and 15(C) from the Regulation Number 8857.

(c) The application must contain the documents that are described in the Regulation Number 8857 for the Certification of Commercial Establishments Authorized to debit NAP Funds from the Family Card. This application includes pictures of the establishing and inventory when the client comes to reauthorize and specific physical and mailing address for the establishment.

(d) The regulation 8857 will be amendment.

**I. Legal Affairs Office ADSEF**

The Legal Division Office of ADSEF is responsible for the matters concerning legal claims; contracts; agreements; the investigation of complaints concerning

retailers; the investigation of complaints concerning employees; meetings with retailers as a result of the investigations; community relations; and fraud, all related to ADSEF. The Legal Division Office of ADSEF advises the Administrator and Assistant Administrator in any legal matters that may arise related to ADSEF.

As part of their functions, the Legal Division Office of ADSEF acts like liaison with the court and other administrative components of the Government of Puerto Rico with regards to investigations regarding participants and their history with the use or participation in the Agency programs such as the Family Card benefits, among others.

### **3. Contracts and Agreements**

The Legal Division Office of ADSEF is responsible for the preparation of contracts and agreements related to ADSEF, as well as any other contract or agreement that may be assigned to said division by the Administrator. Said responsibilities include: drafting of the contract or agreement; requesting funds and the authorization for the contract from the Office of Management and Budget; requesting the contractor to present all the necessary documentation according to the law; and making sure that the contracts or agreements comply with all federal and state laws, as well as with any Administrative Orders that may exist; among others.

### **4. Investigation, Meetings and Sanctions of Authorized Retailers**

The Legal Affairs Office evaluates complaints regarding possible violations to Regulation Number 8857, received by phone, letter and email, among other ways, and investigates them (undercover visits, transaction analysis, and other information on the retailers file). If as a result of an investigation a meeting with the retailer is needed to explain findings, applicable fines and disqualification, notifications will be sent and meeting held with the legal counselors of the

ADSEF, specifically contracted for evaluated that type of cases and to make sure that all the investigation it's been done with due process of law.

Afterward, the Legal Office makes a recommendation to the Administrator about the imposition of monetary penalties and/or disqualification. The Administrator's decision is duly notified to retailers who may: accept and pay the fine, accept the disqualification or request a review before the Adjudicative Board of the Department of the Family, ADSEF's legal counselors act on behalf of the Agency during the appeal process. A monthly retailer's meetings, fines, sanctions and collection report is issued to MARO-FNS.

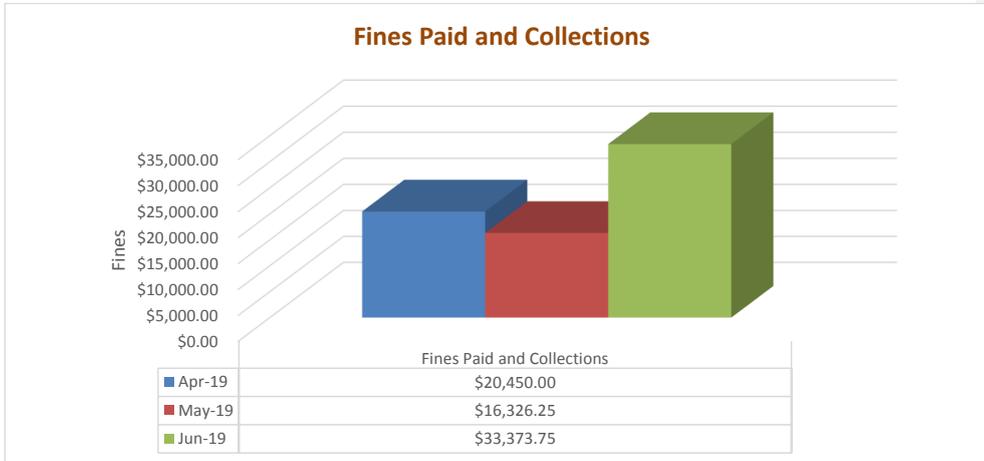
The criteria for determining that a retailer is in breach of the provisions of the Regulation are settled on the Article 21:

- Not to notify in writing to the ICO, on or before fifteen (15) days of occurrence any change related to the data of the commercial establishment or institution.
- Do not keep items eligible with the selling price properly adhered or labeled.
- Sale of ineligible items, as defined in Article 5 (6) of this regulation and collected with PAN funds from the holder of the Family Card.
- Failure to deliver to the person holding the Family Card the receipt of the cash register and / or POS (fixed or wireless) that reflects the transaction made with the Family Card
- Collection of sales and use tax (IVU) on transactions with the Family Card.
- Impose a charge on the person holding the FC for withdraw from the "cash" portion.
- Sell on credit to the person holding the FC. Any transaction made with NAP funds must reflect the sale at the time the eligible food was purchased.
- Sale of alcoholic beverages, tobacco in any of its forms of consumption, pornographic material and / or electronic games or lottery tickets and collected with the funds of the PAN to the person possessing the FC.
- Hold the Family Card for any reason.
- Change in cash the portion of the "food portion" or the "FM portion" to the person holding the FC.

- In the case of certified institutions, use all or part of the funds for the purchase of products that are not eligible food or for any purpose other than the purchase of eligible items.
- In the case of farmers, use the POS to conduct transactions outside the Family Markets.
- Commit fraud, as defined in Article 5 (15) of the Regulation.
- Failure to comply with any other obligation or duty set forth in Article 18, which is not specifically contemplated in this Article 21.

**Retailers report for 2019 from the Legal Affairs Office:**





## 5. Community Relations Office

- a) Community Relations: These personnel provide guidance to citizens about NAP's eligibility, policies and procedures. Also, provides orientation to recipients regarding doubts of eligibility determination, policies and procedures, coordinates with Regional and Local offices in order to solve inquiries and complaints received by phone, letter or email, among other ways, and responds the information required in subpoenas and court orders. From October 2018 through May 2019, this office has received 2,546 cases.
- b) Interagency Cases: this subdivision offers support in PARIS Match processing answering requests from states and contacting states for matches in Puerto Rico. Also, verifies TANF time participation for TANF, category C applicants. From October 2017 through May 2018 worked 2,459 cases for NAP and TANF which 385 were PARIS cases.
- c) Immigration Status: these personnel oversee using the SAVE application to verify the status of an immigrant applying for benefits. From October 2017 through May 2018, 1,416 cases have been verified.

## 6. Programmatic Integrity Division

The Programmatic Integrity Division (“DIP” by the Spanish acronym) of the Legal Affairs Office monitors the EBT Transactions and redemption using *data warehouse* as a tool to identify and prevent fraud of participants and retailers. This Division is responsible for analyzing and processing complaints of possible participant’s, retailers or institutions violations to NAP regulation in coordination with local and regional offices During FY 2019, we will continue to strengthen the DIP at central and regional level hiring and assigned more staff.

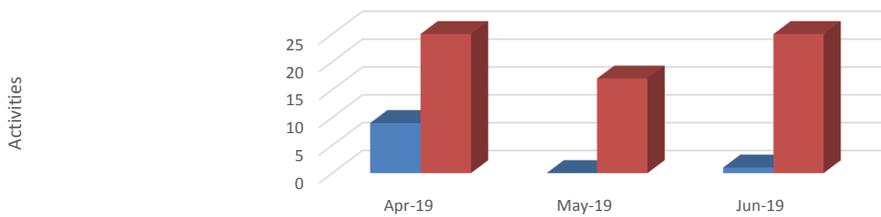
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There are some factors that the DIP needs to evaluate to determine if a claim is necessary. As for example a claim for benefits (including disaster benefits) is generated when the core services, institutions or their authorized representatives provides incomplete or incorrect information about the circumstances of the service core; do not report changes in the core service required within the term established; alter a document to receive benefits; use two or more benefits in the same month; use the benefits even though they were given notice that the case was closed; receive greater benefits than those who were eligible for administrative error or use benefits after the date of death of the only beneficiary.

**Activities Related to Program Integrity Retailers**



	Apr-19	May-19	Jun-19
■ Meetings with Retailers Referred by FNS (Suspicious Transactions)	9	0	1
■ Meetings with Retailers with Sales of Ineligible Items	25	17	25

The NAP Regulation process for claims indicates that in all cases where it is determined that the service nucleus or the institution received and/or used benefits to which it was not entitled, a claim shall be made. If the claim is made, collection will be made to the person in charge of the service nucleus. The Administration will send or deliver a notification with the following information:

1. Reason for the claim and the period covered by it.
2. Classification of the claim.
3. Amount owed.
4. Compensation for retroactive benefits that reduced or paid off the debt, if applicable.
5. Right to file an appeal with the Department's Adjudicating Board and the term to do so.

This office also investigates the cases in order to determine Intentional Program Violation and proceeds with claims collections that result from the investigation. A potential intentional violation is a claim in which the person in charge of the service nucleus, his/her spouse or authorized representative, or the authorized representative of the institution knowingly with a misleading intent and voluntarily incurs one or more of the following:

1. Presents a false or incorrect written statement about the circumstances of the service core.
2. Hides information about changes, as established in these Regulations, for a period exceeding thirty (30) days as of the date of the change.
3. It presents altered documents.
4. Makes a false representation.
5. The amount of the claim is \$ 500.01 or more.

The Administration shall establish a procedure to determine that intentional violation was committed and may refer cases in which an intentional violation is

determined to the Department of Justice to be evaluated for possible criminal charges or the filing of an ordinary civil action.

The DIP's personnel assist, as required by regional and local offices, with aspects and questions regarding participant's fraud and with any investigation that results from complaints and referrals. Also coordinates and offers educational workshops and technical assistance as needed by regional and local offices in order to prevent and manage participant's fraud cases.

The claims data it's included on the FNS-209 PR report. Below is a summary of the DIP major achievements, as stated by the Director statistics:

- As year before, the amount of received cases has increased because all regions are now submitting their claims, every region has a team that works exclusively with DIP.
- Once the investigation ends, the DIP can determine if a claim proceeds. If so, the Division begins the collection process.
- As of FY 2019 a total of \$1,179,615.37 has been identified as amounts to collect.

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FY 2019-2020

REPORT OF WORK PERFORMED BY PERSONNEL OF PROGRAMMATIC INTEGRITY DIVISION IN THE REGIONS				
WORK CARRIED OUT				
REFERRALS	QUANTITY			TOTAL
	April-19	May-19	June-19	
Local Offices	564	390	348	1,302
311 System	20	14	20	54
Telephones Calls/Letters	3	10	3	16
EVERTEC Referrals	0	0	0	0
MER Referrals	1	0	0	1
PARIS MATCH	2	2	5	9
<b>TOTAL OF REFERRALS</b>	<b>590</b>	<b>416</b>	<b>376</b>	<b>1,382</b>
CASES TO INVESTIGATE	QUANTITY			
Pending referrals to investigate	1,029	994	1,036	3,059
Cases under investigation	170	108	89	367
Cases with a claim	443	386	301	1,130
Cases do not apply a claim	65	58	43	166

<b>TOTAL OF CASES</b>	<b>1,707</b>	<b>1,546</b>	<b>1,469</b>	<b>4,722</b>
<b>BENEFITS</b>	<b>AMOUNT</b>			
Identified in reduction of benefits	\$335,382.64	\$353,351.65	\$270,973.43	\$959,707.72
Identified in payment plans or in payroll reduction	\$114,543.35	\$28,484.87	\$47,037.26	\$190,065.48
Identified in global payment	\$6,633.00	\$5,917.00	\$17,292.17	\$29,842.17
<b>TOTAL OF BENEFITS</b>	<b>\$456,558.99</b>	<b>\$387,753.52</b>	<b>\$335,302.86</b>	<b>\$1,179,615.37</b>

### Tasks Completed

General Tasks	Ending Date
NAP Relief 2019-20 Comprehensive Plan Draft	June 2019
Visits to Retailers	June 2019
Retailer investigations	June 2019
Claim investigations	June 2019
Prepare analysis and fund distribution alternatives	June 2019

### Tasks in Progress

General Tasks	Ending Date
Submit NAP Relief 2019-20 Comprehensive Plan	July 2019
Visits to Retailers	September 2019
Retailer investigations	September 2019
Claim investigations	September 2019
Prepare Tables for distribution of NAP Relief II Funds	July 2019

### Next Tasks

General Tasks	Ending Date
Prepare to implement NAP Relief 2019-20 Comprehensive Plan if approved	July 2019

Programming Issuance of NAP Relief II Funds	July 2019

**J. Office of the Auxiliary Administrator for Finance and Budget**

**7. Finance Division**

The Office of the Auxiliary Administrator for Finance and Budget offers part of the administrative support for the programs. In coordination with the EVERTEC, Group LLC, is responsible for implementing and operating the required systems to process payment to beneficiaries. It prepares the annual budget to be submitted to local, federal agencies and as well as the Legislature. The office responds directly to the Administrator.

**a. Reconciliation Method used with EBT Systems (EBT)**

- The EBT services provider makes payments to authorized retailers, network, third party providers, and financial institutions on behalf of the Government of Puerto Rico for benefits accessed and distributed to recipients daily. The EBT services provider is reimbursed as authorized by the Department of Treasury.
  
- Payments are recorded and compared to the Daily Activity File and Daily Payments Summary File prepared by the EBT services provider for the Department of the Family. EBT system reports provide these and other standardized computer reports as well as ad hoc access to EBT system data to perform the following key reconciliation:
  - Benefits authorized= benefits posted.
  - Benefits accessed by recipients (net EBT account debits/credits) = benefit amount transactions approved by the EBT services provider.
  - Net EBT account debits/credits = amount paid to merchants and financial institutions, “+/-” authorized adjustments.

- Amount paid to merchants and financial institutions = funds requested by the EBT services provider, “+/-” authorized adjustments.

**b. Collection Section**

- Receive, review, analyze and register the deposits of all monies collected from claims corresponding to NAP by the Assistant Collector at the local offices. The Assistant Collector collects claim monies from the local offices weekly.
- Receive monies collected at the Department of Justice corresponding to NAP claims.
- Prepare and submit the deposits, for accounting purposes, to the Department of Treasury, which has an exclusive account called NAP Coll (one account is opened for each fiscal year). When the account reaches certain quantity, all funds are transferred back into the NAP participants benefit account so it can be funneled back to the participants. This quantity the account needs to reach before benefits are reverted is evaluated quarterly for it to be significant amount when reverted in benefits for the participants. The claims are made daily or weekly depending on the local office and the available Assistant Collector.
- The assistant collector is designated directly by the Treasury Department. The official definition for Assistant Collector is staff in a regular, transitory or by contractor position in any agency of the government, designated by the Treasury Department Secretary, to act as a substitute for the Official Collector when this person is absent because of vacation, sickness or other short terms.
- The official collector is the person that deposits the money recovered from the claims all Mondays. If Monday is a holiday the deposit will be on Tuesday. Money is kept in a safety deposit box. ADSEF has established

policies and procedures at the Central Office regarding the safety of the money and its deposits and follows the Department of Treasury policies and procedures regarding deposits.

- Review and submits to the Department of the Treasury, the documents related to the persons nominated for official, assistant and auxiliary collector.
- Reconcile the deposit forms after their accounting to ensure correctness.
- Distribute official receipts and deposit forms to regional and local offices.
- Review and consolidate island-wide data, which includes reports submitted by local and regional offices for collection. This is the data ADSEF uses to feed FNS-209-PR.

**c. Account Payable**

- The Accounts Payable Section of the Finance Division generates and maintains control of the obligations of payments for contracted and non-contracted services. Prepares payment vouchers for disbursements of all programs attached to the agency. Among other things, it assigns the number of travel orders and application and authorization for private car use (Models SC 1231 and 1232). The application for admission to the register of suppliers is received through form SC 730 and refers to Accounting in the Department of the Treasury. The accounts payable section records the payment vouchers and obligations in the PRIFAS system of the Department of the Treasury.”

**8. Budget Division**

- Prepares the annual budget to be submitted to local, federal agencies and the Legislature.

- Prepares fiscal reports.
- Evaluates the availability of funds for the acquisition of goods and services for the operation of the program.
- Prepares the Monthly Operational Cost Budget for the NEP.
- Managing the Operational Cost

The Monthly Operational Cost is based on current costs for those items that apply to the operation of the NAP as submitted to the Office of Budget and Management, of the Government of Puerto Rico for FY 2017. A description of those operational costs follows:

- a. Salaries: Included Regular Employees, Transitory Employees, Irregular Employees, Professional, and Consultant Services Government's contribution to Social Security, Retirement Plan, and Christmas Bonuses.
- b. Travel expense estimates and out-of-the country official travel.
- c. Unemployment Insurance is based on procedures established by the Department of Labor of the Government of Puerto Rico.
- d. State Insurance Premiums are those related to work compensation insurance for employees.
- e. Insurance for employees in travel status.
- f. Medical Plans are the government's participation of the employees' medical plan premiums.
- g. Public Building Rent.
- h. Rent of non-public building and other equipment.
- i. Postage - includes mailing of communication related to the Program.
- j. Printing of all forms required for NAP.
- k. Electricity for central, regional and local offices.
- l. Building repairs and conservation.
- m. Miscellaneous services.
- n. Material, supplies, and parts.
- o. Telephone services.
- p. Equipment includes the purchase of replacement of furniture or additional equipment.

q. Water and sewer service.

**a. Cash Management**

The Cash Management Section is responsible for claiming on a daily basis the disbursements correspondent to the activities of Federal Programs managed by ADSEF. This request of funds is based and ruled by the Cash Management Improvement Act and is issued by the United States Treasury Department.

Once the funds are requested, Cash Management Section is responsible of submitting the financial documents that allow the proper accountability of fund on the federal accounts created on the State Treasury Department. Cash Management is also responsible for preparing and submitting to the Treasury Department, U.S. Department of Health and Human Services and Federal Reports Section, the required reports detailing all the requests of funds made.

**b. Federal Reports**

- 7 CFR 3016.25 (b) = Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- Program Income: Program income means gross income received by the grantee or sub-grantee directly generated by a grant-supported activity or earned only as a result of the grant agreement during the grant period.
- Benefit cash collections will be deposited back into NAP benefit account and reissued as benefits and be reported as program income on the SF-425/778, Financial Status Report.
- In the SF - 425/778 (Financial Report for NAP), ADSEF submits quarterly (December, March and June) the information to FNS. Submits claim reports (FNS-209-PR) to the USDA, Food and Nutrition Service and to the Federal Reports Section.
- Prepares the actual operating cost reports on a quarterly basis to allow

management to compare against the budgeted cost in order to take the proper corrective actions. The USDA, Food and Nutrition Service authorize the portion of funds from the Block Grant used to cover the fifty percent (50%) of the allowable administrative cost of the program.

The Federal Reports Division performs the following duties:

1. Prepare and execute reports about the use of funds as required by Federal Government Agencies.
2. Review considered transactions to verify that they have been coded correctly.
3. Calculate the amount claimed to Federal Agencies relating to indirect costs and the Random Moment Sampling (RMS) application. This federal indirect cost rate is negotiated through the Department of the Family and is submitted to the Department of Health and Human Services Division of Cost Allocation using their guidelines.
4. FNS-209-PR, Monthly Claims Report to be reported quarterly on FPRS. The purpose of this report is to notify the number of claims and recoveries recovered by the claims of the Nutrition Assistance Program (cash, check, money order, reduction of benefits, retroactive benefits). Must be submitted and certified in the system on or before 30 days after the end of the quarter of which it is being reported.
5. SF-425/778, Financial Status Report. As of October 1, 2013, will be reported on Food Program Reporting System (FPRS), which will allow the data to be on the National Data Bank (NDB). The report includes the administrative and benefits expenses incurred by the ADSEF. It is sent 30 days after the end of the quarter during the fiscal year and a closing report, 120 days after the end of the fiscal year.
6. FNS-388 PR Monthly Participation and Benefits Report that is reported on Food Program Reporting System (FPRS), which will allow the data to be on

the National Data Bank (NDB). This Report summarize the total of cases, persons and benefits issued by ADSEF every single month, including the regular and complementary payments. Also, states the benefits payments for elderly and the total amount of people who received it.

#### **D. Office of the Auxiliary Administrator for Human Resources**

The Office of the Auxiliary Administrator for Human Resources is responsible for the administrative support for the Program regarding personnel and human resources. This office handles central office, regional and local office personnel matters including requests for personnel. It also evaluates staffing needs and provides recommendations on staffing situations.

This office provides the handling of personnel situations related to all employees and does the referrals to other agencies or institutions for services related to their specific needs. The office is also in charge of supporting the coordination of trainings to all staff in order to provide information regarding the amendments and new proposals to implement. The Auxiliary Administrator for Human Resources responds directly to the Administrator.

#### **E. Office of the Auxiliary Administrator for Administrative Services**

The Administrative Services Area provides all administrative support for the agency and its programs. It's responsible for ensuring compliance with the administrative rules and procedures for each of the locations we have. It is also responsible for the planning, organization, management and control of administrative services, suggesting measures to optimize its performance. The office participates in the development and updating of the organization and procedures manuals regarding the administrative area.

The office handles requests for supplies requisitions to purchase goods and services at headquarters, regional and local levels. It also reproduces the forms and materials

supplies through requisitions to all its offices. It's responsible for the distribution of all mail from the central office to the divisions, the Office of the Secretary, regional and local offices as well as other Administrations of the Department and other government agencies. Provides and oversees all transportation required for official visits to regional and local offices as well as vehicle fleet maintenance. It's responsible for the management of the property in the central office and informs all the reports of the inventory to the Treasury Department. Maintains inventory of the property in the central office and collaborates with the inventory of the regional offices and the 93 locals.

The Administrator's Assistant monitors and maintains the inventory of the agency and works in collaboration with Emergency Management and the Census, in case of natural disasters. Also, oversees the work of the Agency's Central Warehouse and the entire process for the disposal of documents and computers in offices. In the same way, shall attend and resolves all matters related to the physical plant in coordination with the Building Manager.

It's necessary that checks, processes and validate the information and results of the work processes in which he intervenes, according to his assigned area. In the meantime, shall also control and processes the information, forms and documents generated by services provided and received by the Agency, and starts the hiring of professional and consulting services. For make this happen, the Administrator Assistant will maintain a close communication with the General Services Administration of the Government of Puerto Rico to enforce the laws and regulations promulgated by that government agency and all other public policy applicable.

Finally, in case of an emergency, the Office of the Auxiliary Administrator for Administrative Services shall check the processes and validate the information and results of the work processes in which is involved, according to their assigned area (Procurement, General Services, Post Office, Property Management, Store Supplies and Transport Office).

## **F. Press Officer**

At this moment ADSEF doesn't have a Press Officer assigned. A private contractor is currently attending all press communications.

## **G. Office of Technology and Information (OTI)**

This office provides the programs with the verification of input data that includes the calculation of benefits, issuance of payments, computer matching, updating of master files/database of participants, transfer electronically the benefit file to the EBT System, preparation of the operation and detailed cost management, such as the amount of benefits certified by local offices, and the total amount of benefits island-wide. Also, this office is responsible for maintaining the infrastructure of technology information and communications, developing the programming and maintaining the Automated Case Management System (SAIC, Spanish acronym). This system needs to be updated gradually, since it is very old (it was created in the 1980x) and contains the database of all our NAP participants.

The ADSEF implemented an alternative recovery data center (DRC) to ensure service continuity at the Central Office in Miramar, it consists of a series of servers with an up to date (constantly updated) copy of our database and application servers that would be activated and make the system available for our users in case the production servers are unavailable, the backup system will be available to the users that have access to a live communications line.

The Production servers are installed at the facilities in "Minillas", ADSEF is confident in the integrity of the secure, climate-controlled environment and will proactively monitor the "Minillas" data center and Network

OTI is also responsible for reading, analyzing, processing and answering requests of information related to NAP participants, including those made within the agency, by other agencies in Puerto Rico and the United States, and by state and federal courts.

The OTI issues to local offices the PARIS List, that will be issued four times a year

(February, May, August and November) and used to match the information of the beneficiaries of Puerto Rico with the United States, making it easier to detect improper participation in NAP and TANF Programs. The information provided in the list will appear in numerical order of the case in the following manner:

<b>Region-Municipality-Office</b>	<b>It indicates where the case is active in Puerto Rico</b>
<b>SSN MUF/JUF PR</b>	Social Security Number is verified to enter accurate information with the participants' eligibility documents, name and date of birth of the person.
<b>SSN JUF/ENC</b>	Social Security and Name of Head of Household or Service Manager.
<b>Type of Service</b>	Nutrition Assistance Program or Temporary Assistance for Needy Families.
<b>Beginning and Closing Dates</b>	Year-Month-Day.
<b>Social Security</b>	Social Security, name and date of birth.
<b>State</b>	Name of the State where it is reflected to receiving benefits, case and contact phone number.
<b>Address</b>	Address in the United States.
<b>Type of Service</b>	Indicates the type of benefit received in the United States (Example: SNAP, TANF, Medicaid).

To review and update the information above, the local office schedules an appointment with the participant to review the information. Participants come to the office when there is a hit on PARIS, participants get summoned to the local office through an appointment to review and update the information above. If the participant doesn't attend the appointment, the Social and Family Assistance Technician proceeds to close the case and send the form of Action Taken (ADSEF-109) in the NAP.

## X Family Markets



The Family Market was approved by FNS as a permanent project in April 15, 2016. Family Markets are product of a collaborative agreement between the Department of Agriculture and the Administration for Agricultural Business Development (ADEA) with the Department of Family and the ADSEF. The Family Market resides in the Regulation Number 8775, “Regulation for the Organization and Development of Agricultural Family Markets in Puerto Rico”, of July 22, 2016. The Regulation 8775 is a regulation of the Administration of Agricultural Business Development (ADEA) of the Department of Agriculture. ADEA oversees the Family Market operation authorizing eligible products, selecting farmers and promoting the markets.

ADSEF certifies the eligible farmers for the acceptance of NAP benefit payments and sets aside a portion of the NAP grant administrative costs for the ADEA to cover part of their operational expenses. The ADEA will provide documentation to support their state match of 50% mainly from self-generated revenues. This agreement is included in the new collaborative agreement between the ADSEF and ADEA.

For FY 2019 the 50% portion expected for the ADSEF to reimburse ADEA is up to \$350,000 from the Operating Cost (FMNP) of the Budget Item Administration section of the Budget. To calculate the total expenses that will have the Family Market for the fiscal year 2018 and 2019 ADEA used as reference the expenses of

the previous years that the Market has operated.

**The breakdown of expenses of FY 2019 is as follows:**

Salaries	\$373,102.89
Marginal Benefits	\$95,597.31
Per diem	\$26,446.43
Contractual Costs (Agronomists)	\$180,355.12
Gasoline, oil and other maintenance costs	\$9,727.96
Materials and supplies	\$41,779.04
Tents	\$7,200.00
Tables	\$957.46
Sub-Total	\$729,166.21
Minus %4	\$29,166.65
Total without the %4	<b>\$703,999.56</b>

From August 2013 to January 2019, the sales of the Family Market had gone over \$77,556,391.83. As of September, 2018, 80% of the Family Market deposit benefits were redeemed at the markets.

The Family Market has fixed farmers who move each month within the regions in the project, offering agricultural products with emphasis on fresh fruits and vegetables minimally processed. ADSEF will be incorporating the sale of local yogurt and fish in the Family Markets alongside the fruits, vegetables, cheese, honey and coffee.

After the delay caused by the impact of Hurricane María currently, the Family Market is operating in 9 regions with a total of 65 Municipalities, this means an increase of 4 regions and 13 municipalities more from the previous Fiscal Year 2018. The operating regions are Aguadilla, Arecibo, Caguas, Guayama, Mayaguez, Ponce, Bayamón, Carolina and Fajardo. We are planning incorporate the Humacao region by December 2019, weather and crop permitting.

Both, ADSEF and the Department of Agriculture are aware of the importance

of accessibility to the markets for disabled, elderly and homeless populations. The ADSEF will work with municipal governments to coordinate transportation for participants to those marketplaces. Moreover, the Department of Agriculture is locating markets in areas that are more centralized, more accessible to the entire population, and familiar to the community. As a regular procedure, persons with disabilities may appoint an “authorized representative” to make their purchases and carry out transactions on their behalf, as defined in NAP Regulation Number 8684.

Farmers who participate in the Family Market are authorized by the Department of Agriculture, accordingly to the regulations of the ADEA and are certified by ADSEF as required by Regulation Number 8857. The ADEA has been meeting with participating farmers regarding these requirements. To be certified farmers, they must comply with requirements established in the OIC regulations covering certification.

The electronic voucher is a portion of the benefits that participants receive through the Family Card, which now includes an additional portion that’s exclusively for the consumption of Puerto Rican agricultural products in the Family Markets. This additional portion is the result of targeting the monthly percent adjustment from the participant’s benefits. Once certified, they’re able to redeem the electronic voucher and the additional benefits, as participants would do in any authorized retailer.

ADSEF will strengthen nutritional education strategies in order to improve eating habits and the health of NAP participants. Participants can buy NAP agricultural products through an “electronic voucher” in the Family Card which equals 4% of monthly adjustment, only at the Family Market venues. This program will promote the consumption of locally grown fresh food and agricultural products by allowing the use of the benefits of NAP in buying food at fairs and farmers’ markets, as well as promoting the consumption of agricultural products in the country, available through the various programs administered by ADEA. These markets in turn revitalize the local agricultural economy and contribute to food

security of the country.

To ensure the proper use of the program benefits, transactions in the Family Markets are monitored in the same way as transactions at certified retailers, by the Office of Inspection and Control (OIC) of the ADSEF, specifically through use of the EBT system, oversight, and monitor visits to the markets. The system that shows the data redemption is Data Warehouse. The OIC, use the regulation Number 8857, "Regulation for the Granting and Use of the Authorization to Debt the Funds of the Nutrition Assistance Program (NAP)", also are the ones who certify the Farmers for the use of the Family Card and inspect its right use at the markets.

Participants receive a letter with the information of the Family Markets, the additional benefits they receive and the dates for the Family Markets. Along with the letter several collaborative efforts are made with the Local and Regional Offices, the Department of Agriculture and the Municipalities, to promote the participation on the Family Markets. This effort includes posters, local and national media (written and radio press), banners, speakers and social networks posts, among others. This fiscal year, the Family Market will have a brochure with all the information of the program in all local offices in the active regions, in Spanish and English language.

Some of the advantages of the markets are: to increase contact between farmers and the NAP participants; provide nutritional benefits for participants when they purchase food; acquired products are grown locally, of higher quality, produced fresh and food with high nutritional value; agricultural growth; ensure marketing opportunities for farmers, maintenance and creation of agricultural jobs, and creation of new opportunities on agro-business and therefore to the country's economy.

## **XI. Nutrition Education Program (NEP)**

### **A. Introduction**

The ADSEF will administer a statewide NEP that promotes nutrition education and obesity prevention interventions among lower income people giving priority in older

adults. NEP interventions will be provided with other Agencies to older people, considering Older American Act of 1965.

#### Obesity Trends

According to "The Action Plan for the Prevention of Obesity in Puerto Rico", obesity is considered an epidemic worldwide. In Puerto Rico for 2017, 68.3 % of the population of 18 years or more is affected by overweight and obesity. Which was 35.4% were overweight and 32.9 with obesity. It is estimated that the medical costs of a person with obesity are 42% higher than people with adequate weight.

Nationwide the state of health of the population raises the urgency of preventing and managing this problem and the multifactorial causes that affect the quality of life of the people. Various studies show that encouraging healthy eating patterns in the lifestyle involves making changes in the selection of food and beverages, as well as preventing sedentary lifestyles. That is why all segments of the society play an important role in supporting the achievement of these changes. The call is towards a multisectoral effort shared among agencies, and the community in general to define and coordinate the programs and interventions that are carried out in favor of the well-being of people throughout the life cycle.

The Plan of Action for the Prevention of Obesity in PR articulates the guidelines, the rational and the key areas aimed at stopping this progression of obesity.

#### Objectives:

1. Promote a pattern of healthy eating by integrating the different food components of My Plate for a Healthy PR (Comisión de Alimentación y Nutrición de PR). Limiting those foods with added sugars, saturated fats and sodium.
2. Promote adequate food selection and servings. Focus on the consumption of whole grain products, fruits and vegetables.
3. Promote the importance of making a food list before go to the market. The purpose is according the family budget, select and include healthy foods from all 6 groups.

The nutritionist (1) and family ecologists (3) work together to carry out the goals and objectives. Making educational plans, informational leaflets and presentations using

power point templates about themes: Mi Plato for a healthy PR, Budget management using “Tarjeta de la Familia”, and others. The participants will be evaluated with tests after presentations.

The presentations will be made in different ways by nutrition educators. That includes: visits to ADSEF local offices throughout the Island, supermarkets, family markets, schools, day care centers for the elderly, among others. Expecting to reach 15,000 people around P.R. this fiscal year.

The NEP will continue with a campaign focus on how the head of household’s recipients and their families can eat better. Education through different ways will help participants achieve healthier lifestyles.

In order to fulfill the objectives, the nutrition messages based on the theme of My Plate were reinforced for a healthy PR in adults and elder ages.

The Nutrition Educators will promote a message of healthy dietary patterns in every visit. Using informational leaflets to guide individually and/ or as a group depending on the need. They will offer promotional items to motivate the participant such as a Book for Weekly Menu Planning and Shopping List, Recipe Cards; and as available, the program will offer promotion measuring cups and spoons, cutting boards, lunch bags, reusable bags for food purchases and a book activity for children. The program promotion brochure (“Saludable con mi PAN”) is provided.

#### Web site

We identified the need of an Internet web page actualization, exclusive for nutrition education program to NAP participants and general public. This platform will generate a sense of identity and belonging among the different audiences and strength communications between all parties. In addition, can help distribute questionnaires to our clients to assess our goals and objectives.

After assessing participants through questionnaires, it is expected to show progress in their eating habits and lifestyles.

ADSEF will continue providing NAP recipients a Nutrition Education Program (NEP) for Fiscal Year (FY) 2019. ADSEF’s principal goal is to outreach eligible individuals for NAP benefits; to teach how to make healthy food choices within a limited budget and choose physically active lifestyles consistent with the “Dietary Guidelines for Americans for 2015-2020 (Eight Edition)”, My Plate, and the Puerto

Rico Food Pyramid. The NEP is designed with the goal of promoting good health and preventing or postponing the onset of diet-related chronic diseases by changing the nutrition and physical activity behaviors of the participants.

To support and reinforce nutrition education messages for FY 2018, ADSEF will continue with media campaign called “Saludable con mi PAN” and the inclusion of NEP Educators on community-oriented activities to promote healthy habits lifestyle. NEP will take this message to the communities by using mass public media, internet and social networking.

The media campaign will continue to promote a wellness nutrition program for NAP recipients and provide educational, promotional materials and techniques to be able to achieve a more nutritious diet. While there’re many important nutrition related issues that impact the NAP eligible audience, ADSEF will encourage magnifying the impact of NEP Educators by focusing their efforts on the following behavioral outcomes that have an additional potential to improve public health. The goal of the NEP is to the improve the likelihood that persons eligible for NAP, so they will choose physically active lifestyles and make healthy food choices that are consistent with current Dietary Guidelines for Americans and the US Department of Agriculture’s food guidance.

We will work all these closely with the Health Bucks Program.

The Department of Family-ADSEF will administer a statewide NEP program that promotes nutrition education and obesity prevention interventions among low-income older adults. NEP interventions will be provided by participating Area agencies on Aging at qualified Older Americans Act (OAA).

The principal goals of NEP Educators during their activities are related with the following objectives:

- Make half your plate fruits and vegetables, at least half your grains whole grains and switch to fat-free or low-fat milk and milk products as shown My Plate for Healthy Puerto Rico.
- Promote physical activity and reduce time spent in sedentary behaviors as part of a healthy lifestyle.
- Maintain appropriate calorie balance during each stage of life, limiting simple sugars and high sodium products.

- Help recipients stretch their benefits and prepare low cost easy, nutritious and tasty meals, and take advantage of seasonal foods.
- Make the communities aware of proper nutrition can help prevent and manage chronic and acute condition in Puerto Rico through NEP.

## **B. Target Population Needs Assessment**

Since the target population is NAP recipients, the characteristics described in the NAP State Plan of Operation, remain the same. Nevertheless, as a nutrition education program, other factors that are explained below are considered (Dietary Patterns, Obesity trends, Health Consequences, Nutrition Education).

### **1. Dietary Patterns**

Despite the increased public awareness of the vital role that food choices, dietary practices and physical activity have on health, the diets and physical activities of most Puerto Ricans not consistent with the recommendations of the Dietary Guidelines for Americans for 2015-2020 (Eight Edition).

Most Puerto Ricans eat too few fruits, vegetables, and whole grains and fat free or low-fat milk products, while consuming too much fat, sweetened products, and excess of sodium meals. These trends are seen in children, young people and cut across all income levels. Fast food and convenience-food consumption, snacking, supplementation, and soft-drink use have all increased. Many Puerto Ricans do not meet the RDAs for key nutrients, yet they exceed their caloric requirements, leading to an increasingly overweight population.

The NEP in addition to providing education services also monitor trends and dietary patterns of the NAP recipients. NEP educators provide orientations, questionnaires and informative sheets in most of the activities they perform.

During FY 2018-19 ADSEF will submitted to FNS a draft of questionnaire by which they can assess information regarding behavioral changes in NEP participants.

The selection of healthier food choices sometimes is more expensive; however, it

does not necessarily underline the selection of an inadequate diet. There is a need to educate people on how they can still afford a balanced diet by procuring seasonal foods; comparing the options they have of the same food and preparing foods by their own.

The menu selection must change a bit to stretch more money. Although, it's not the lack of money but the lack of adequate nutrition education, which may contribute to the higher incidence of obesity among low-income families. One of Puerto Rico's great challenge is the lack of information collected regarding our population's obesity problem; this situation worsens when we consider our culture and availability resources.

Parallel to a healthy and balanced diet, the performance of physical activity is an essential component in health and the wellness of human beings. Regular physical activity and physical fitness make important contributions to one's health, sense of well-being and maintenance of a healthy body weight. Physical activity is defined as any bodily movement produced by skeletal muscles resulting in energy expenditure.

## **2. Obesity Trends**

Several decades ago, most people kept a healthy weight. Kids walked to and from school, people walked more during the day, meals were home-cooked with reasonable portion sizes and there were always vegetables on the plate. These practices are no longer in place, and there is not enough and reliable information regarding current practices that allow us to plan and developed different strategies.

Eating out of home was rare and snacking was an occasional treat. Today, we experience a different lifestyle. Also, portion sizes are now two to five times larger than they were in years past. Beverage portion sizes have grown as well. In the mid-1970s, the average of sugar-sweetened beverage was 13.6 ounces compare today than an average is 20 ounces.

### **3. Health Consequences**

According to the National Vital Statistics Report of the Center for Disease Control and Prevention (CDC) in Atlanta, Georgia inadequate eating habits are identified as one of the major health risks associated with the top four among the ten leading causes of death. Overweight and obesity are conditions related with the pre-disposition to develop other chronic diseases.

The benefits of leading an active lifestyle can be obtained even if its regular practice begins during adulthood. In the case of obese children and teenagers it's extremely important to consider self-esteem issues to ensure their participation in programs that involve physical activities. Therefore, it's so important to educate the importance of adopting a daily habit of physical activity that's not necessarily restricted to specific skills in sports. The trend has increased and now the people have been more physically active. People still need to raise the level of physical activity to more than 60 minutes each day for children and teens and to 150 minutes per week for adults. An average of 60 minutes per day is the recommendation for adults that want to lose weight and improve their overall health status.

### **4. Nutrition Education**

As the relationships among diet, health, and disease prevention have become clearer, nutrition education and the promotion of healthy eating behaviors and lifestyles continue to receive increased attention. Nutrition education is any combination of educational strategies designed to facilitate voluntary adoption of food choices and other food and nutrition related behaviors conducive to health and well-being.

Nutrition education is delivered through multiple settings and involves activities at the individual, community and public policy levels. The goal of nutrition education is to improve the nutritional status of the individuals through positive behavior change, and its purpose is to prevent nutritional deficiencies and chronic diseases, and to improve the life quality.

The NEP provides NAP recipients education and promotion strategies that help maximize food resources and make healthy food choices to support and promote good health. The NEP aim is to facilitate the voluntary adoption of eating and other nutrition related behaviors conducive to the health and well-being for those on a limited budget.

### C. Goals and Objectives

Our goal for the NEP is to improve the likelihood of NAP recipients to make healthy food choices with a limited budget and chose physically active lifestyles consistent with the Dietary Guidelines for Americans for 2015-2020 (Eight Edition), My Plate and the Puerto Rico Food Pyramid.

Department of the Family-ADSEF in coordination with the Department of Health and other agencies will work collaboratively to create an effective and integrated service delivery system that benefits NEP participants where they live, learn, eat, work, play, and shop

Throughout FFY 2019-2020 and in accordance with USDA-FNS Guidance, Puerto Rico NEP will provide:

- Education: Evidence-based nutrition education and physical activity interventions to support obesity prevention
- Media and Messaging: Statewide social marketing campaigns, media campaigns, and public relations
- Capacity Building: Training and technical assistance to build state and local capacity
- Program and Partnership Development with private and government organizations

Objectives:

With the promotional campaign of *Saludable con mi PAN* we expect that by the end of FY 2018-19 the NEP participants:

1. Promote good habits to a healthy eating behavior - eating from the five food groups throughout the day, including: fruits, vegetables, lean proteins, low fat

or fat free dairy products and whole grains on all their meals.

2. Improve to make changes related to the shopping behaviors, choosing healthy foods for the family on a budget; learning how to read nutrition facts label or nutrition ingredients lists, the importance of go shopping with a list and cook healthy foods on a budget.
3. Reduce the sedentary behavior.

Also, we will provide in our nutrition lectures and presentations in different community sites:

- Visit supermarkets and local offices in different municipalities, to deliver orientations and educational materials regarding healthy food choices and improving physical activity (NAP participants are island wide, so are supermarkets).
- Provide presentations in schools, summer camps, Head Start Centers and Day Care Centers regarding physical activity.
- Offer presentations to geriatric population regarding healthy food choices and improve physical activity.
- Monthly the NEP Educators will offer lectures to Family Markets and Food Distribution Program participants.

#### **D. Methodology**

*“Saludable con mi PAN”*, an innovative nutrition education wellness campaigns, helps recipients integrate healthier eating habits and physical activities. This campaign reiterates a message easily understood by all, taking into consideration the poor writing and reading skills of the participants. Orientations will be focused on reinforcing a better use of benefits to achieve good eating habits. The NEP is designed to facilitate voluntary adoption of good eating habits and other nutrition related behaviors conducive to a healthier lifestyle and well-being.

The NEP Educators will encourage their efforts on the following behaviors below, that are associated with the reduction of the risk of some forms of cancer, diabetes type II

and coronary heart diseases.

- Eats fruits and vegetables, whole grains and fat free or low fat milk products every day. Using My Plate for healthy PR.
- Be physically active every day as part of a healthy lifestyle.
- Encourage the consumption of nutrient dense foods and dissuade the selection of empty calorie foods.
- Help recipients stretch their benefits and prepare low cost, simple, nutritious and tasty meals and take advantage of seasonal foods.
- Make the communities aware of proper nutrition can help prevent and manage chronic and acute conditions in Puerto Rico, through NEP.

The NEP will use different methods of dissemination, interactive groups and one to one instruction and media campaigns are among the approaches used to deliver nutrition education to NAP recipients. Some examples of the methods that are used with participants are orientations, posters, and one on one orientation in local offices, letters, e-mails, radio and newspapers. The NEP has three (3) Nutrition Educators that travel island-wide to provide nutrition lectures and presentations in different work sites such as local offices and when other meetings arranged for the TANF participants, community health fairs, public housing, supermarkets, schools and some senior care centers.

#### **E.Strategies for FY 2020**

The Nutrition Education Program from ADSEF aims to provide nutrition education, first, to the participants of the NAP and then to the general community. It is designed with the purpose of promoting good health. Also, we want to empower the NAP participants and the general population, to establish healthy eating habits and become more physically active.

Some NEP interventions must be individual or group-based direct nutrition education, health promotion, and intervention strategies. At the same time, the NEP educators can make community and public health approaches to improve nutrition. Those actions must be taken for facilitate the educational process and make the path more fun and easier to follow. Research demonstrates that programs targeted to offer

education in nutrition, in order to be effective, must be lively, entertaining, enjoyable, and simple in order to better capture the attention of all the targeted age groups. Education in nutrition implies an in-depth modification of eating habits for adults and the development of good eating habits in children. The message needs constant reiteration and must exploit all means of public broadcasting.

As explained above (*“Section V of this document, For the NAP FY 2019, ADSEF have the following goals, page 8”*) ADSEF will start with the Healthy Bucks Program to acknowledge participants of the importance of a good nutrition diet. At the same time, we are incentivizing the farmer markets for having fresh good healthy vegetables and fruits for NAP participants.

*NAP healthy Bucks* incentive program will result in increasing consumption of fruits and vegetables among NAP recipients and increased NAP sales at participating locations, leading to more income for small-scale farmers and money staying in the local economy.

### **1. Media Campaign**

The NEP will continue with a media campaign focus on how the head of household’s recipients and their families can eat better and be more physically active by changing behaviors. In particular, the educational materials and discussion sections will help recipients stretch their benefits, prepare easy and tasty meals, eat healthier and be physically active.

The promo will re-enforce the nutrition messages of the new campaign. They will also include brief information about the NAP, how to request the benefits and how to use them appropriately. These strategies always stated how and where to apply for NAP. The campaign will also include other key elements such as: promotional items, posters, standing banners, brochures and coloring books to extend the messages at local offices, schools, supermarkets or special presentations in low-moderate income communities. All developed items will have a direct connection to nutrition education.

As educational and promotional items the NEP will distribute recycled plastic bags with the media campaign logo and information of the different food

groups, measuring cups and place mats that include My Plate, glasses - to substitute water for soda drinks, refrigerator magnet, tablecloth, book of activities for children (coloring areas, soup letters, fill the blanks, choose the best option, etc.).

## **2. Nutrition Capsules**

The NEP will create educative capsules with the nutritional topics for FY 2018. The educational campaign is intended to promote the proper use of the benefits of NAP, choosing healthy foods for the family on a budget and to have a focus on healthy behavioral outcomes and obesity prevention. This means messages to the public and general public, in order to strengthen nutrition education strategies to improve eating habits and health of the participants of the NAP and the general public.

## **3. Website**

We identified the need to create an Internet webpage exclusive for nutrition education, to NAP participants and the general public. In addition, this platform will generate a sense of identity and belonging among the different audiences we serve and strengthen communication between all parties

## **4. *Saludable con mi PAN* - Recipe Cards**

The NEP has recipe cards with a variety of healthy Puerto Rican recipes to be distributed among the NAP recipients. Recipes include USDA Foods made available by food distributions. The cards will be review and updated with new recipes.

## **5. *Saludable con mi PAN*- Annual Tour**

The NEP Educators visit Local Offices, Supermarkets, Health Fairs and other low-moderate recipient's gatherings, to deliver nutrition messages. The NEP Educators will provide orientation, brochures, promotional and educational materials regarding nutrition. NEP Educators will encourage parent engagement and involvement in menu planning, field trips, and classroom activities that support and encourage healthy eating.

The handouts will be designed to help the recipients commit to healthy eating habits and physical activities and to also utilize the NAP benefits more efficiently. The NEP Educators will also distribute questionnaires to the participants of these activities to assess the participant's knowledge and have more information about the population we're serving and what areas need to be reinforced.

## F. Educational Structure and Activities

In FY 2020 the NEP Educators will spread a reading material named "Managing your Budget when you buy with the EBT Card", Spanish translation "Manejo de presupuesto cuando se compra con la Tarjeta de la Familia", to NAP recipients. This lecture provides information about the selections of food to eat each day from each food group, how to use My Plate, tips on buying healthy but still affordable foods with the EBT card, tips on portions and serving foods, including low-cost recipes and ideas to entice all family members to eat healthier foods and be physically active every day, how to prepare seasonal harvests and how to consider the different seasons.

This lecture will be used as a guide for the NEP Educators to train NAP recipients. It includes take home handouts designed to help recipients commit to healthy eating habits and physical activities.

The lecture will be given during the distributions of USDA Foods to low-income communities, certified supermarkets, certified retailers, TANF program, schools and summer camps, day care centers for elderly people, local offices and institutions that have NAP recipients, as described below.

- **Food Distributions:** The NEP Educators will participate in Food Distributions of the Emergency Food Assistance Program (TEFAP), and will give orientations on how to use USDA Foods to prepare recipes, and will provide educational, promotional material, recipes, and brochures to the NAP recipients who attend these activities.

- **Low-Moderate Income Communities:** The NEP Educators will visit low-moderate income communities during social support fairs coordinated by the Department of the Family, other State Agencies and nonprofit organizations.
- **Certified Supermarkets and Retailers:** The NEP Educators will visit the certified supermarkets and retailers to guide the NAP recipients to use the EBT card to purchase healthy foods and use the nutrition facts as a tool to make an informed decision on food choices.
- **TANF Program:** The NEP Educators will give the lecture and distribute educational and promotional materials to the participants. The NEP Educators have the responsibility to promote educational lectures and to ensure that participants complete the questionnaires.
- **Schools and Summer Camps:** The NEP Educators will work in collaboration with the Department of Education by visiting schools and summer camps of the public and private sector. The NEP Educators will present the animated video My Plate for Kids to children from 4 to 8 years old to capture their attention on the message of good nutrition and physical activity. At the end of each presentation, the NEP Educator will reinforce the nutrition concepts presented in the video and motivate the kids to eat healthy and do physical activities.
- **Day Care Centers for Elderly Population:** The NEP Educators will visit Day Care Centers for elderly people. This intervention will be coordinated with the Centers of Multiple Activities for the Elderly (CAMPEA) of the Administration for Families and Children (ADFAN, Spanish acronym).
- **Region and Local Offices:** The NEP Educators in coordination with the ADSEF regional offices will offer the lecture “Manejo de Presupuesto cuando se compra con la Tarjeta de la Familia”.
- **Family Markets:** NEP educators will visit the family markets to distribute

educational materials and give short orientations to all present persons regarding the benefits of eating fresh locally grown foods.

- **Others Agencies:** The NEP will work with other State and Local Agencies such as the Department of Agriculture, the Department of Education, La Fortaleza, the Department of Health (WIC Program), the Department of Sports and Recreation and Head Start Centers by providing presentations in health fairs, school activities, summer camps, interagency community impacts and other activities.

## **G. NEP Program Structure**

### **1. Nutritionist**

The nutritionist responds directly to the NAP Director and is responsible for the supervision of program personnel that consists of four (4) Program Educators. The nutritionist is a professional with specialization in planning and evaluating all nutrition education aspects offered through NEP and make public-private alliance that collaborate for a common good. Receives general instructions from the supervisor related to the common aspects of the duties. The nutritionist shall exercise the duties with initiative and independence in accordance with rules, regulations, techniques and procedures already established. Their work will be evaluated by verifying the results accomplished in the Program

### **2. NEP Educators**

The job primarily requires fieldwork related to nutrition education and home economy addressed to NAP participants. They receive general instructions from their supervisor related to the common aspects of their duties, and specific instructions if new situations occur. They exercise their duties with a moderate degree of independence and initiative in accordance with the rules, regulations, techniques and procedures already established.

## **H. Assessment of Effectiveness of Nutrition Education**

ADSEF acknowledges the importance of establishing evaluation procedures for accountability, planning, and learning how to improve nutrition education for low-income families. During FY 2018, we'll continue to do this assessment in collaboration with the NEP Educators.

In this process ADSEF will review materials and resources presented in the SNAP-ED Strategies & Interventions: An Obesity Prevention Toolkit for States. Some of the resources we're most interested in reviewing and adapting to our population are:

The efforts listed above, and subsequent projects described within Puerto Rico's NAP-NEP State Plan are designed to achieve both the desired behavioral outcomes and physical and social environment outcomes of the statewide NAP-NEP goals and objectives:

#### Behavioral Outcomes

- Goal 1: Increase consumption of healthy foods and beverages and decrease consumption of unhealthy foods and beverages.
- Goal 2: Increase physical activity.
- Goal 3: Improve food resource management.

#### Physical & Social Environment Outcomes

- Goal 4: Increase access to and/or appeal of healthy dietary choices and decrease access to and/or appeal of unhealthy dietary choices where people eat, live, learn, work, play, or shop.
- Goal 5: Increase access to and/or appeal of physical activity opportunities for NAP-NEP eligible populations

1. **Color Me Healthy - from the Center for Training and Research Translation**
2. **Eat Well Play Hard un Child Care Settings - Wave 1 SNAP-ED Evaluation**
3. **Empowering Healthy Choices in Schools and Homes - HealthMPowers, Georgia**
4. **Kids Cook - SNAP-Ed Connection**

5. **Take 10! - CDC**

6. **Cooking Matters - Share Our Strength**

7. **Eat better, Eat together - CDC**

8. **EatFresh.org - Leah's Pantry and the San Francisco Human Services Agency**

9. **Food Hero - Oregon State University**

### **Policy Inventory**

Community change is a multi-level strategy approach effective in advancing the state-wide goals of Puerto Rico's NEP. By the Fiscal Year 2019, The Department of the Family-ADSEF, in coordination with other agencies and private organizations will increase the capacity of communities to implement policy, systems, and environmental change by embarking on a policy inventory project led by The Department of the Family-ADSEF-NEP. The project is designed to create a comprehensive collection of obesity prevention policies on a limited number of topics, identify and showcase strong policies to promote obesity prevention, and assist with developing and disseminating model obesity prevention policies in settings such as schools, retail, and health care.

### **Evaluation**

NAP-NEP evaluation activities address state-level goals and objectives and satisfy the reporting requirements of USDA-FNS. In FFY 2018-2019, Puerto Rico's NEP evaluation will be streamlined in order to provide meaningful and impactful data to inform and guide future decision-making and NAP-NEP service delivery. State-level integration of evaluation planning and implementation ensures state and local evaluation activities are developed strategically and in conjunction with other program functions.

### **Summary**

In summary, Puerto Rico NAP-NEP is committed to improving health and nutrition by providing a combination of direct programming and local resource supports in the areas of evidence-based nutrition education and physical activity interventions to support obesity prevention, media and messaging, training and technical

**Commented [ICP6]:** Actualizar por:

- Dietary guidelines for Americans 2015-2020
- Add more fruits and vegetables
- Be a healthy role model
- Guia alimentaria para PR
- Snacks
- Meal planning
- Whole wheat foods
- My plate at home
- Choose breakfast cereals

assistance, program and partnership development, and evaluation.

**Budget**

<b>Salaries</b>						
	<b>Number of Employees</b>	<b>Total Salary</b>	<b>Fringe Benefits</b>	<b>Christmas Bonus</b>	<b>Medical Plans</b>	<b>Total Salaries and Fringe Benefits</b>
<b>Nutritionist</b>	1	\$26,910	\$3,027	\$600	\$2,160	\$32,703
<b>Home Economist</b>	2	\$49,800	\$5,620	\$1,200	\$4,320	\$60,930
<b>Sub-Total Salaries and Fringe Benefits</b>		<b>\$76,716</b>	<b>\$8,637</b>	<b>\$1,800</b>	<b>\$6,480</b>	<b>\$93,633</b>

<b>Other Expenses</b>	
<b>Educational Campaign</b>	
<b>Travel Expenses</b>	\$20,000
<b>Sub-Total Other Expenses</b>	<b>\$20,000</b>

<b>Total Expenses</b>	
<b>50% State Match</b>	\$56,816
<b>50% Federal Match</b>	\$56,816
<b>Total Expenses</b>	<b>\$113,633</b>

**I. Budget Narrative**

**Regular Employees**

The nutritionist dedicates 90% in office and administrative work and 10 % in other public-private alliance services, the home economist dedicates 20% or their time to administrative work and 80% of their time to direct delivery of their services. In terms of hours per week this is approximately one day for

**Commented [ICP7]:** Nutricionista prepara educaciones y realiza informes por lo que se requiere este la mayoría del tiempo en la oficina  
Las educadoras requieren menor tiempo en la oficina.

administrative work and four days of direct service.

**Other Expenses - Educational Campaign:**

The NEP campaign provides information to beneficiaries to promote the selection of nutritious foods. This includes the creation, production and printing of written materials to be handed out to the public, the development, media planning and the implementation of the media campaign (radio, television, newspapers, magazine, billboards and internet advertising). The campaign is worked directly with Press and Communications Office from the Department of the Family.

**Travel Purpose:**

- b. In order to meet the goals and objectives of the NEP, the attendance of the Nutritionist and the three (3) NEP Educators is very important as they must travel island-wide to provide orientations at the ADSEF local offices, supermarkets, food distributions, schools, senior citizen centers, health fairs, communities activities where NAP recipients gather and other places where requested our services.
- c. Justification of need for travel: The nutritionist and the three (3) NEP Educators can use their own vehicles to meet the goals and objectives of the NEP, subject to supervisor previous authorization. ADSEF covers the expenses related to per diem and car allowance when applicable.
- d. Travel Destination: The nutritionist and the three (3) NEP Educators travel to the local offices at each of the municipalities of Puerto Rico (see page 5 of this plan).
- e. Number of Staff Travelling: one (1) Nutritionist and three (3) NEP Educators.
- f. Cost of Travel for this Purpose: We have budgeted approximately \$333.00 for each staff member, each month a total \$20,000 for FY 2018.

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**XII. Reviews/ Reports for FY 2020**

SUBJECT	MEASUREMENT/ REVIEW PERIOD	DUE DATE
<p><b>MER's Timeliness and Certification Report</b> Target of 95% of applications processed timely for emergency and regular benefits.</p> <ul style="list-style-type: none"> <li>• Must include root causes for the errors found; statistics; breakdown by region; corrective actions expected to be implemented to address trends.</li> <li>• ADSEF will submit a corrective action plan to FNS if the Fiscal Year timeliness rate is less than 90%.</li> </ul>	Fiscal Year 2019	annually on January 30th and then quarterly
<b>Claims in Active Cases</b>	Fiscal Year 2019	annually on January 30th and then quarterly
<b>NAP Retailers reports on those that get disqualified and/or sanctioned</b>	Quarterly	Quarterly
<b>FNS 388 PR – Issuance and Participation Report</b>	Monthly	19 <sup>th</sup> of each month
<b>FNS 388-A PR – Issuance and Participation Report Reconciliation with FNS 388 PR (PA / NPA)</b>	Semi-annual	March 19, 2020 September 19, 2020
<b>FNS 209 PR – Activities relating to recipient claims during the report quarter and the status of claims from previous reports</b>	Quarterly	February 2020 May 2020 August 2020 November 2019

SUBJECT	MEASUREMENT/ REVIEW PERIOD	DUE DATE
FNS 46 PR – Issuance Reconciliation Report is used to account for benefits issued during a report month	Monthly  (Report due 90 days after end of report month)	Monthly
Family Market Issuance and Redemption	Monthly FY 2020	First 15 days from each month
Family Market Issued and Spent	Monthly FY 2020	First 15 days from each month
FNS – 366A PR	Annual	08/15/2020
SF – 425 (FNS – 778 PR)	Quarterly	January April July October
Other reviews/reports	As requested by FNS	As requested by FNS.

- ✓ During FY 2020 the FNS-388 PR, FNS-388A PR, FNS-46 and FNS-209 PR will be downloaded into FPRS and become available on the National Data Bank (NDB) for public review.

### XIII. Budget

#### A. Total Annual Budget for FY 2020 (October 1, 2019 to September 30, 2020)

Administration	
Item	Cost
Operating Cost (NAP)	\$ 26,543,784

Operating Cost (FM)	350,000
Electronic Benefit Transfer	3,207,968
SAIC	1,116,474
Nutrition Education Program	56,816
<b>Total Administration</b>	<b>\$ 31,275,042</b>

Benefits	
Item	Cost
Benefits to the Elderly	\$ 659,153,007
Benefits to Participants	1,217,218,951
Carryover to next FY - Benefits	30,000,000
<b>Total Benefits</b>	<b>\$ 1,906,371,958</b>

Totals	
Item	Cost
Total Regular Funds	1,937,647,000
Carryover from previous FY	30,000,000
<b>Total Funds Available for FY 2020</b>	<b>1,967,647,000</b>

**B. Electronic Benefit Transfer Breakdown FY 2020**

EBT	
Category	Total
Salaries & Fringe Benefits	\$ 34,901
EBT Invoices	\$ 6,780,000
Promotion	\$0
Vault Cards	\$40,000
Travel Expenses	\$10,000
<b>Total Expenses</b>	<b>\$6,864,901</b>

**C. Total EBT Expenses by State and Federal Match, and by Program Match**

<b>EBT Expenses FY 2020</b>			
<b>Program</b>	<b>50% State Match</b>	<b>50% Federal Match</b>	<b>Total</b>
<b>NAP</b>	\$3,207,968	\$ 3,207,968	<b>\$6,415,936</b>
<b>TANF</b>	\$224,482	\$ 224,482	<b>\$448,964</b>
<b>Total</b>	<b>\$3,432,450</b>	<b>\$3,432,450</b>	<b>\$6,864,901</b>

**D. NAP Total Monthly Budget for FY 2020 (October 1, 2019 to September 30, 2020)**

<b>Personnel Services</b>			
<b>Budget Item</b>	<b>Federal</b>	<b>Local</b>	<b>Total</b>
<b>Salaries Regular Employees</b>	\$1,385,504	\$1,385,504	<b>\$2,771,008</b>
<b>Salaries Transitional Employees</b>	\$0	\$0	<b>\$0</b>
<b>Salaries Irregular Employees</b>	\$0	\$0	<b>\$0</b>
<b>Professional and Advisory Services</b>	\$63,790	\$63,790	<b>\$127,580</b>
<b>Total Personnel Services</b>	<b>\$1,449,294</b>	<b>\$1,449,294</b>	<b>\$2,898,588</b>

Non-Personnel Services			
Budget Item	Federal	Local	Total
Travel	\$ 11,940	\$ 11,940	\$ 23,880
Unemployment Insurance	406	406	812
State Insurance Premiums	46,638	46,638	93,276
Medical Plans	70,525	70,525	141,050
Public Building Rent	0	0	0
Rent	203,448	203,448	406,896
Postage	14,788	14,788	29,576
Printing	1,056	1,056	2,112
Electricity	0	0	0
Building Repair & Conservation	406	406	812
Miscellaneous Services	66,011	66,011	132,022
Materials, Supplies & Parts	6,662	6,662	13,324
Telephone (P.R. Telephone Company)	20,533	20,533	41,066
Equipment	5,688	5,688	11,376
Water & Sewers	0	0	0
Transport Area	6,419	6,419	12,838
<b>Total Non-Personnel Services</b>	<b>\$454,520</b>	<b>\$454,520</b>	<b>\$909,040</b>

TOTAL			
Budget Item	Federal	Local	Total
Total Personnel & Non-Personnel	\$1,903,814	\$1,903,814	\$3,807,628
Indirect Cost Expenses*	\$308,168	\$308,168	\$616,336
<b>Total Operating Cost</b>	<b>\$2,211,982</b>	<b>\$2,211,982</b>	<b>\$4,423,964</b>

\* 16.8% Rate used for Indirect Cost Expenses (NAP)

#### **XIV. Disclosure**

Use or disclosure of information from applicant household records, exclusively for the program, shall be restricted to persons directly connected with the administration of enforcement of the provisions for the Nutrition Assistance Program, or with other Federal or federally aided means-tested programs.

#### **XV. Non-Discrimination & Civil Rights**

Comply with Title VI of the Civil Rights Act of 1964 (Public Law 88-352), section 11 (c) of the Food Stamp Act of 1977, as amended, the Age Discrimination Act of 1975 (Public Law-135), FNS instruction 113-1 and the Rehabilitation Act of 1973 (Public Law 93-11, section 504) and all requirements composed by the regulation issues pursuant to these Acts by the Department of Agriculture to the effect that, no person in the United States shall, on the ground of race, color, national origin, sex, age and disability, be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination under the Nutrition Assistance Program.

#### **XVI. General Terms and Conditions**

The state agency agrees to:

- Administer the Nutrition Assistance Program in accordance with the responsibility assigned by the Omnibus Reconciliation Act of 1981, the federal regulations and instructions established by USDA, Food and Nutrition Service; and to implement the FNS - approved State Plan of Operation.
- Expend 100 percent of the block grant funds, excluding carryover funds, established in response to OMB, Program Assessment Rating Tool.
- Submit, on an annual basis, by July 1<sup>st</sup>, a State Plan of Operation for Nutrition Assistance Grant Funds.
- Conduct an annual single audit of expenditures in compliance with the requirements in Part 3015 of 7 CFR of the Nutrition Assistance Program as required by FNS. The findings of such audit shall be reported to Food and Nutrition Service (FNS) no later than 120 days from the end of each fiscal year in which the audit is made as required by

Section 285.4.

- Submit to FNS for approval, amendment requests for any part of the Plan of Operations that is mandated by statute or regulation.
- Monitor and report on any special project under the Nutrition Assistance Block Grant, which are administered by any agency other than the Department of Family.

### **XVII. The Food Nutrition Service Agreement**

The Food and Nutrition Service Agrees to:

1. Pay administrative costs in accordance with the Food Stamp Act of 1977, as amended, and with Federal Rules and Regulations (7 CFR, Part 285).
2. Carry out any other responsibilities delegated by the Secretary in the Food Stamp Act of 1977, as amended.

**IN WITNESSES THEREOF, both parties hereto to sign this agreement in San Juan, Puerto Rico, on \_\_\_\_\_.**

\_\_\_\_\_  
**Glorimar de L. Andujar-Matos, Esq.**  
**Secretary**  
**Department of the Family**

\_\_\_\_\_  
**Surima Quiñones Suárez, Esq.**  
**Administrator**  
**Administration for Socioeconomic**  
**Development of the Family**  
**(ADSEF)**

\_\_\_\_\_  
**Patricia N. Dombroski**  
**Administrator**  
**Mid-Atlantic Region, FNS**