



GOVERNMENT OF PUERTO RICO  
ADMINISTRATION FOR THE SOCIOECONOMIC  
DEVELOPMENT OF THE FAMILY

PR NAP  
State Plan of  
OPERATIONS  
FY 2021

DEPARTMENT OF THE FAMILY

---

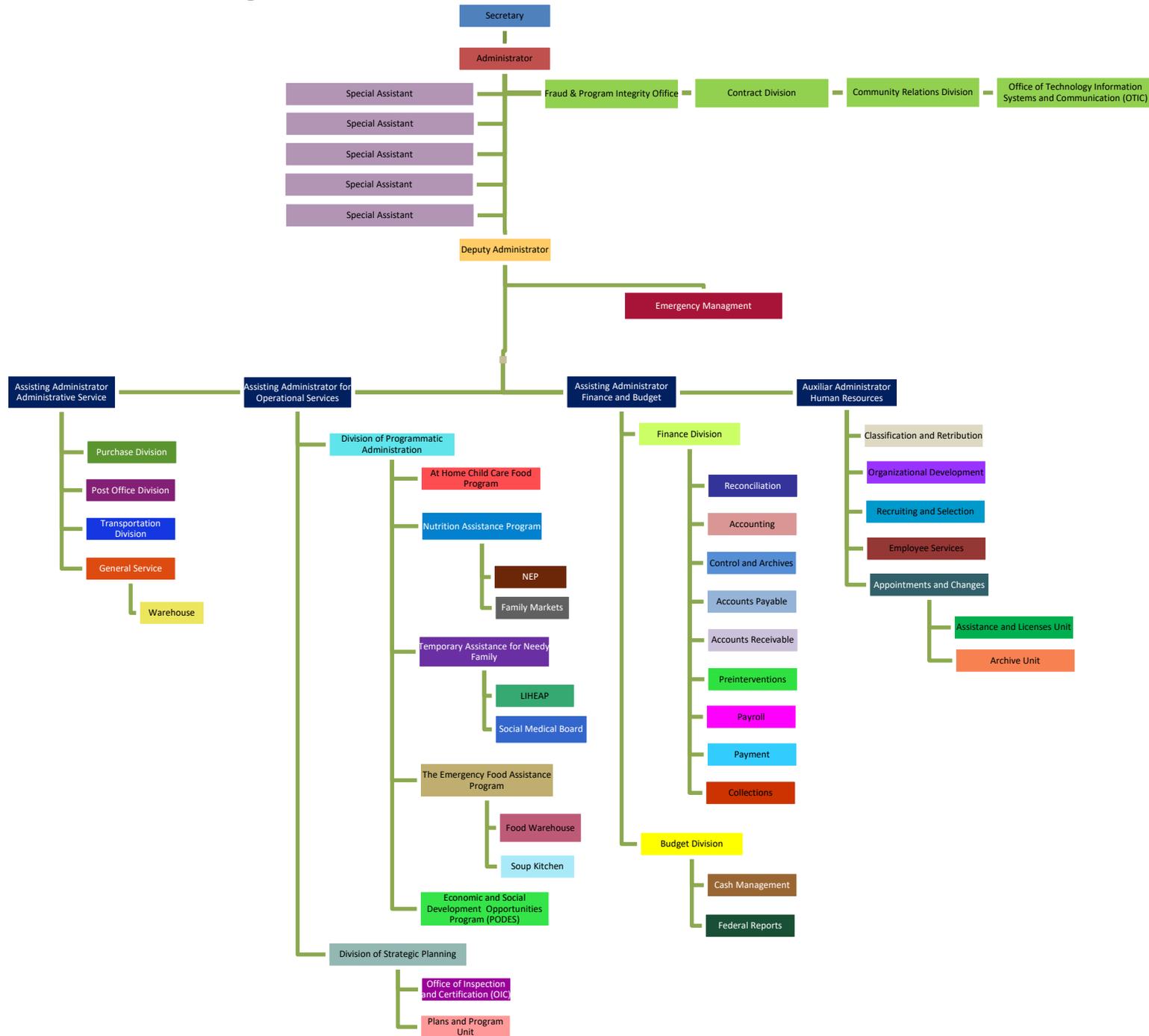
# Table of Contents

<b>I. ADSEF'S Organizational Chart.....</b>	<b>5</b>
<b>II. Regional and Local Offices for Administration of the Nutrition Assistance Program (NAP) Map and Table .....</b>	<b>6</b>
<b>III. Designation of State Agency .....</b>	<b>7</b>
<b>IV. Executive Summary.....</b>	<b>8</b>
<b>V. Statement of Goals and Objectives.....</b>	<b>10</b>
<b>VI. Needs Assessment.....</b>	<b>16</b>
<b>a. Economic Situation of Puerto Rico.....</b>	<b>16</b>
<b>b. Population &amp; Poverty.....</b>	<b>17</b>
<b>c. Economic Perspective .....</b>	<b>18</b>
<b>d. 2020 HHS Poverty Guidelines.....</b>	<b>21</b>
<b>e. Nutrition Assistance Program Participants .....</b>	<b>21</b>
<b>VII. Criteria for Distribution of Funds .....</b>	<b>25</b>
<b>1. Eligibility Requirements .....</b>	<b>25</b>
<b>2. Non-Financial Requirements .....</b>	<b>25</b>
<b>3. Financial Requirements.....</b>	<b>26</b>
<b>4. Special Deductions.....</b>	<b>26</b>
<b>5. Resources .....</b>	<b>27</b>
<b>6. Cash Out Policy .....</b>	<b>27</b>
<b>3. Income Eligibility Criteria.....</b>	<b>27</b>
<b>4. Benefit Calculation Method .....</b>	<b>27</b>
<b>5. Certification Procedures .....</b>	<b>29</b>
<b>7. Regular.....</b>	<b>29</b>
<b>8. Disaster Processing .....</b>	<b>29</b>
<b>9. Chart of Benefits - Regular .....</b>	<b>31</b>
<b>6. Verification.....</b>	<b>32</b>
<b>7. Appeal Process .....</b>	<b>33</b>
<b>8. Work Requirement Mandate.....</b>	<b>36</b>

9. Electronic Benefit Transfer (EBT) – Family Card (FC).....	36
10. Call Center 3-1-1.....	38
<b>VIII. Program Administration.....</b>	<b>39</b>
<b>a. Office of the Assisting Administrator for Operational Services.....</b>	<b>39</b>
1. Division of Programmatic Administration .....	39
2. Description of the Measures of Efforts and Results System (MER).....	41
3. Description of the Random Moment Sampling (RMS) .....	42
4. Office of Inspections and Certification .....	43
5. Education and Orientation.....	44
6. <b>Legal Affairs Office.....</b>	<b>46</b>
7. Investigation, meetings, and sanctions of authorized retailers.....	47
8. Community Relations Office .....	48
9. Programmatic Integrity Division .....	50
10. Office of the Assisting Administrator for Finance and Budget.....	<b>51</b>
a. Finance Division.....	51
b. Accounts Payable.....	54
c. Budget Division.....	54
d. Cash Management .....	55
e. Federal Reports.....	56
f. Office of the Assisting Administrator for Human Resources .....	58
g. <b>Office of the Assisting Administrator for Administrative Services.....</b>	<b>58</b>
h. <b>Press Officer.....</b>	<b>60</b>
i. <b>Office of Technology and Information (OTI) .....</b>	<b>60</b>
11. <b>Family Markets.....</b>	<b>62</b>
12. <b>Nutrition Education Program (NEP).....</b>	<b>66</b>
<b>a. Introduction .....</b>	<b>66</b>
<b>b. Target Population Needs Assessment.....</b>	<b>67</b>
c. Dietary Patterns.....	67
d. Obesity Trends .....	68
e. Health Consequences.....	68
f. Nutrition Education .....	69
g. <b>Goals and Objectives.....</b>	<b>70</b>
h. <b>Methodology.....</b>	<b>71</b>

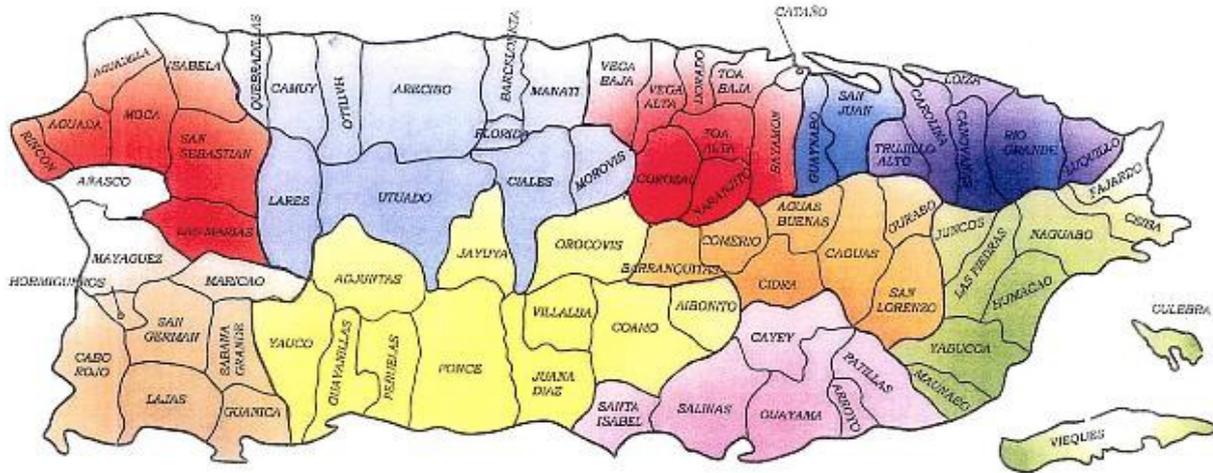
i. <b>Strategies for FY 2021</b> .....	73
Media Campaign .....	74
Nutrition Capsules .....	75
Website .....	75
Saludable con mi NAP Recipe Cards .....	73
Saludable con mi NAP Annual Tour .....	74
Educational Campaign Budget .....	74
j. <b>Education Structure and Program Activities</b> .....	77
k. NEP Program Structure .....	79
l. Assessment of Effectiveness of Nutrition Education .....	80
m. Policy Inventory .....	81
n. Evaluation .....	81
o. Program Budget Narrative .....	81
13. <b>Work Requirement (WOR) for the NAP</b> .....	83
14. Puerto Rico NAP-Online Purchases Project (NAP-OLP).....	86
15. <b>Budget</b> .....	88
16. <b>Reviews/ Reports for FY 2019</b> .....	88
17. <b>Disclosure</b> .....	89
18. <b>Non-Discrimination &amp; Civil Rights</b> .....	89
19. <b>General Terms and Conditions</b> .....	90
20. <b>The Food Nutrition Service Agreement</b> .....	90

# I. ADSEF'S Organizational Chart



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

### 10 REGIONS - 89 LOCAL OFFICES



<b>Aguadilla</b>	<b>Arecibo</b>	<b>Bayamón</b>	<b>Caguas</b>	<b>Carolina</b>
<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>	<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>	<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>	<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>	<ul style="list-style-type: none"> <li>• Canóvanas</li> <li>• Carolina</li> <li>• Loíza</li> <li>• Luquillo</li> <li>• Río Grande I</li> <li>• Trujillo Alto I</li> </ul>
<b>Guayama</b>	<b>Humacao</b>	<b>Mayaguez</b>	<b>Ponce</b>	<b>San Juan</b>
<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>	<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>	<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>	<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>	<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**

The 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 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:

Department of the Family  
**Administration for Socioeconomic Development of Family (ADSEF)**

**Physical address:**

Capitol Office Building  
800 Ponce de Leon Avenue – 9th Floor,  
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 Authorized NAP Retailers (The conversion of the EBT card to 100% targeted makes Authorized NAP Retailers the only choice for participants to access foods). 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, includes that the cash portion be eliminated, gradually, as follows:
- ✓ for FY 2017 to be distributed 20% of the cash portion of the benefits, this task was executed
- ✓ for FY 2018 to be distributed 15% of the cash portion of the benefits, this task was executed
- ✓ for FY 2019 to be distributed 10% of the cash portion of the benefits, this task was executed in October 2018
- ✓ for FY 2020 to be distributed 5% of the cash portion of the benefits, and

- ✓ for FY 2021 (October 1<sup>st</sup>, 2020) the 100% of the benefits will be distributed restricted, which it means that no cash will be available to be disbursed at ATM machines or POS devices.

The Secretary of the U. S. Department of Agriculture, on August 5, 2016 mandated the Puerto Rico Department of the Family (ADSEF) to eliminate the cash assistance benefits portion 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. The FY 2021 SPO converts the 5% of the cash portion, beginning on October 1st, 2020. The ADSEF has developed an outreach plan to inform participants of the cash portion conversion, including press releases, media tours, 3-1-1-line orientations, educational materials, posters, and social network posts.

The Department of the Family will continue implementing the Family Markets during fiscal year 2021 through a collaborative agreement between ADSEF, the Department of Agriculture, and the Administration for Agricultural Business Development (ADEA). Therefore, ADSEF has set aside NAP administrative funds to help covering part of their operational expenses for the Family Markets. Additional information is available at this plan's Family Market section.

The ADSEF will continue to strengthen the Programmatic Integrity Division (DIP, Spanish acronym) at the central and regional offices with FNS' support. The agency's legal affairs Office is responsible for monitoring the EBT retailers' transactions and redemptions by using the data warehouse as one of the tools to identify and prevent fraud, analyze, and process possible participants program violations complaints in coordination with local and regional offices. This office investigates the cases referred to determine Intentional Program Violations (IPV) and claims collections that result from the investigation.

The Technology and Information Office (OTI) will continue working with the program

to improve services and case management.

ADSEF will continue developing NAP participants on line services, implemented during the recent COVI-19 Pandemic which has severely impacted are economy and social wellbeing. This system will help participants to apply and receive several NAP services online keeping the social distancing requirements implemented by our Government<sup>1</sup>.

Also, ADSEF will start the Work Requirement planning process as established in the Puerto Rico’s 2020 Fiscal Plan<sup>2</sup>. In collaboration with state agencies, non for profits and municipalities. This planning process will develop a volunteer work requirement plan for NAP Able working participants.

## **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 the Department of the Family through ADSEF, to implement the NAP.

The mission of the Department of Family 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 Department of Family are:

1. Family Violence Prevention, particularly children and adolescents’ abuse.
2. Strengthening families and preventing child abuse and neglect
3. Protecting children when abuse or neglect has occurred
4. Ensuring that every child and youth has a permanent family or family connection
5. Safety – Preventing and responding to child abuse

---

<sup>1</sup> Refer to Executive Order OE-2020-062

<sup>2</sup> Refer to page 79, of the 2020 Fiscal Plan for PR: Financial Oversight and Management Board of PR

6. Permanency—Stabilizing children’s living situations and preserving family relationships and connections
7. Well-Being—Enhancing families’ capacity to meet their children’s physical, mental health, and educational needs
8. Support families to promote self-reliance and development.
9. Dignifying life for seniors and people with special needs.
10. Empower individuals, families, and communities.
11. Support homeless.
12. Developing opportunities for women heads of family and domestic violence survivors.
13. Developing transparency in management of all finances.
14. Using technology for efficiency and effectiveness of processes and services given to the community.
15. Promoting fair and adequate alimony.
16. Making a fair Puerto Rico with equal opportunities for all.

ADSEF has a vision to restore families’ hope on a better quality of life, and to make true the demand for social justice. ADSEF’s Mission is to provide social and economic development opportunities to disadvantaged families by providing them opportunities to achieve society’s self-sufficiency and integration in a productive way. The following are a list of ADSEF’s priorities:

- ✓ Battle childhood maltreatment.
- ✓ Achieve solidary socioeconomic development.
- ✓ Promote family support networks and community living.
- ✓ Develop human resources to increase auto sufficiency.
- ✓ Offer agile and efficient services to the community.

Due to the COVID-19 Pandemic we have been forced to reinvent the procedures traditionally used to attend NAP participants to a virtual no-personal contact strategy. Governor Wanda Vazquez Garced has implemented strict requirements which have included, among others, social distancing, lockdowns, cancelation of non-congregate activities, and state agencies distance working, to mitigate and stop the spread of the virus.

Therefore, ADSEF has met with regional directors and associates to develop goals and safe strategies to prevent the spread of the COVID19.

For the NAP FY 2021, ADSEF has established the following goals:

1. Re-structure the Administration's current tools and system for providing NAP participants/applicants program services and benefits. ADSEF aims to develop, modify, and adapt NAP program's current tools and system, used to provide services which are customarily offered by a technician and/or supervisor. These have been already modified/adapted to comply with the new COVID-19 reality and requirements established by the Government of Puerto Rico on the latest executive order: OE-2020-062<sup>3</sup>. The new changes and improvements proposed will include: (a) the re-structuring of the NAP current online system to include, in addition to the benefits' application, additional features, like "Turnos PR". This is a phone appointment request application system that will assign participants virtual/remote appointments in order to speak with a technician of NAP related situations. (b) electronic application for benefits. ADSEF implemented at the beginning of the COVID-19 Pandemic a NAP benefits-online application process to eliminate the direct contact with potential participants and control the virus spread. This system will be potentially improved to correct any flaws. ADSEF's intention is to continue with this system as the official NAP benefits application process. (c) recertification process. ADSEF is developing, in collaboration with regional and associate directors a new recertification process which will reduce/eliminate the direct physical contact with NAP participants (in most of the cases). This significant change has not been completed yet, since it requires input from many stakeholders. And (d) changes to family's composition, address, report a death, moving from PR among others. This new feature's concept is still being developed with our IT specialists and consultants since it would require MOUs with different agencies to verify the veracity of the information provided.
2. Reinforce the DIP and OIC offices by hiring additional staff to prevent and detect participants and retailer's fraud, and to improve both offices performances.

---

<sup>3</sup> Spanish version included.

- a. To establish interagency agreements with the Department of Health, Department of Education, Correctional Department, Social Security, and Internal Revenue Services (IRS), among others, for the prevention, detection, and eradication of NAP participants and retailers' fraud.
3. As of October 1<sup>st</sup>, 2020, 100% of NAP benefits will be exclusively for qualifying food purchases.
4. Develop an outreach and information campaign island wide to educate program participants on the correct use of the 100% NAP food benefits.
  - a. ADSEF /Department of the Family will start with at least fifteen (15) days prior to the October 1<sup>st</sup>, 2020 cutoff date, the outreach and education campaigns on the correct uses of NAP benefits. This would be accomplished through orientations on the Nutrition Education Program (NEP) campaigns, displaying posters at authorized merchants to promote the correct use of the Family Card, orientations for store owners on NAP allowed products, Family Markets where participants can purchase fresh foods. Also use non-for-profit organizations as well as government and non-governmental organizations among other strategies. Due to the following series of natural disasters which started in September 2017 with Hurricanes Maria and Irma; January 2020 earthquakes; and the recent COVID-19 Pandemic, the agency has not been able to continue offering the certified retailers fraud prevention workshop. However, starting October 1<sup>st</sup>, 2020 ADSEF will offer certified retailers a fraud prevention workshop to ensure prevention and improve the communications with owners. These will include sections' of 7CFR, regulations and the consequences due to non-compliance with Regulation 8857 statutes.
5. Continue to expand the **Nutrition Education Program (NEP) Plan**.
  - a. Continue providing educational workshops for NAP households, at local offices, and NAP online services, to promote active parent-children involvement from a nutrition education perspective and better practices to select nutritive foods items.
  - b. Provide educational workshops for elders staying at Elderly Home Centers.
  - c. Continue the collaborative agreements with agencies that aim to promote physical activity, and healthy lifestyles, such as the Department of

Sports and Recreation, Department of Health, and others.

- d. Reinforce the NEP educators' participation into community activities through educating workshops, food selection orientation, and nutritional tips.
  - e. Continue to train Program staff, home economists and Nutritionist on relevant issues that strengthen the promotion of a healthy nutrition education for NAP participants.
  - f. Site visits to various certified supermarkets to evaluate if the products available in the market are cost effective for a NAP participant with a limited budget, for a healthy menu certified by a nutritionist.
  - g. Telephone survey to learn about Family Card recipients' food practices in order to focus and re-evaluate educational strategies and interventions.
  - h. Restart site visits to all ten (10) regions, local offices, family markets, and food distributions to reach NAP participants, to distribute information brochures and educate about healthy foods and the proper use of benefits.
  - i. Use of technology and other visual resources to promote nutritional information, through educational capsules, etc.
  - j. Develop monthly statistics' reports on people impacted by our educational program.
  - k. Continue the annual support to the Child Care Food Program by promoting nutritional education to care providers.
  - l. Continue supporting ADFAN's Elderly Multiple Activity Centers (CAMPEA) by reviewing their certified menu.
6. Continue with the interagency collaborative agreements to streamline the eligibility process for NAP participants by sharing documents through a common data base.
  7. Due to the COVID-19 the Family Markets have been postpone, however we expect to restart them as soon as the Government authorizes. ADSEF intends to continue expanding this initiative to include more regions of the island to assure that every family has access to nutritious fresh food.
  8. ADSEF will start the Planning Process for the implementation of the NAP Work Requirement (WOR) as included in PR Fiscal Plan for 2020-21. The complete NAP Work Requirement has been divided into four phases, starting with Phase-I

(Planning) by October 2020<sup>4</sup>.

9. Update NAP information brochures to educate recipients on the availability of programs including, family markets nutrition, eligibility, fraud prevention and job alternatives.
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 of 95% for Regular Authorized and Denied Applications. The FY 2018 obtained rate for Authorized Applications was 90.01% and for the Denied Applications was 69.03%. On the other hand, the percent of the authorized for FY 2019 was 75.87% and for the Rejected, during the same period was 55% (refer to table below).

**FY 2019**

Region	%Authorized	%Rejected
AGUADILLA	96.83%	72.16%
ARECIBO	92.51%	71.20%
BAYAMON	46.82%	31.83%
CAGUAS	86.01%	58.80%
CAROLINA	48.26%	36.65%
GUAYAMA	69.48%	57.73%
HUMACAO	73.90%	44.79%
MAYAGÜEZ	84.20%	64.97%
PONCE	95.75%	74.13%
SAN JUAN	64.97%	47.33%
	<b>75.87%</b>	<b>55.96%</b>

- a. The Timeliness Rate is measured based on 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 ADSEF’s program services.
12. Maintain the resources limit established to \$5,000 and \$15,000 to the elderly.
13. To establish **NAP Online Purchasing** Island Wide. This program will allow retail food stores to accept NAP benefits through online transactions. Benefits cannot be used to pay for fees of any type, such as delivery, service, or convenience fees. The goal is to ensure that every NAP participant could access allowable foods through

<sup>4</sup> This date could be affected by the COVID-19.

online services in a safe and secured manner.

## **VI. Needs Assessment**

### **A. Puerto Rico's Economic Situation**

The impact of a series of atmospheric events have had an enormous impact on the already fragile economy in Puerto Rico for the last four (4) years. However, these last eight (8) months have been critical for our economy, by significantly increasing the poverty rate in the Island, as consequence of the earthquakes occurred in the south part of the Island in early January 2020, and the most recent Coronavirus Pandemic.

Since the summer of 2005, Puerto Rico's economy has been experiencing a significant slowdown for the job's creation, economic activities, and housing, and trades. The origins of this recession started with the increase on oil prices, reduced personal consumption and the financial and fiscal adjustments implemented by the Financial Oversight and Management Board (FOMB) to reduce the public debt, a notable deterioration in the labor market, and a hold on the construction activity.

One of the greatest challenges of our local economy has always been the labor market. When Puerto Rico started to project signs of a modest fiscal recovery the COVID-19 Pandemic strikes against the small and medium businesses, big retailers, local and state governments, and self-employed individuals. Between twenty percent (20%) and thirty percent (30%) percent of local small and medium-sized businesses are at risk of closing permanently, as tourism, retail sales and services have taken a hit. Amid March and June 2020, the island has lost about 80,000 jobs, according to federal statistics. The local insured unemployment rate - continued claims divided by covered employment - stood at 19.13 percent the week ending July 25, 2020 down from the year high of 26.8 percent the week ending June 27, 2020. Still, the most recent rate is many times higher than the year low of 2.19 percent the week ending March 7.

Some factors that have contributed to the economic recession are:

- ✓ COVID-19 Pandemic
- ✓ 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, and Bankruptcy

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 decreased to 36.30 percent in December from 36.50 percent in November of 2019.

With respect to the economic activity index (EAI), on April 2019 EAI was 122.3 versus April 2020 EAI which dropped to 113.7 reflecting an 8.6 reduction. This is especially important since the EAI represents a valuable tool that reflects the behavior of four (4) major macroeconomic indicators: (1) total payroll employment, (2) cement sales, (3) gasoline consumption, and (4) electric power consumption.

In July 2017, former Governor of Puerto Rico, Ricardo Rosselló, signed into law three (3) 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).

## **B. Population & Poverty**

Puerto Rico's high poverty index and its challenging financial situation have a direct impact on NAP's goal of reducing hunger and increasing food security by providing low-moderate income individuals and working families access to food and a healthy diet. NAP provides benefits to Puerto Rico's needy residents so they can manage their nutritional needs.

The NAP SPO establishes participants' basic needs and criteria for the nutrition assistance funds distribution and administration. The Plan describes the Government's policies and general procedures used to determine eligibility, benefits distribution and calculation methods, organization, and administrative control systems 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 approximately 3,193,694 (Census - Annual Estimates for 2019). This is broken down as 47.5% are men and 52.5% are women . 17.9% are under 18 years old and 21.3% of the population is over 65 years old. The population density was calculated by the World Bank in 2018 and it reflected 360 people per square kilometer. Puerto Rico's population density is among the ten (10) 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-six-point eight percent (46.8%) of Puerto Rico's population is currently receiving NAP benefits. Ninety point five per cent (90.5%) of females' head of families depend on TANF and NAP benefits as their main sources of income. Poverty experts and aid groups have expressed that families living below the 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, living under poverty levels, have less than a \$480.00 monthly income, including government's support. The maximum NAP allotment for an individual in Puerto Rico is \$112.00 monthly. For each family member 60 years old and over, they receive an additional 20% in benefits up to the maximum allotment per month, which adds to \$134.00. Participants might receive a slight increase in benefits per month, depending on the monthly percentage adjustment.

### C. Economic Perspective

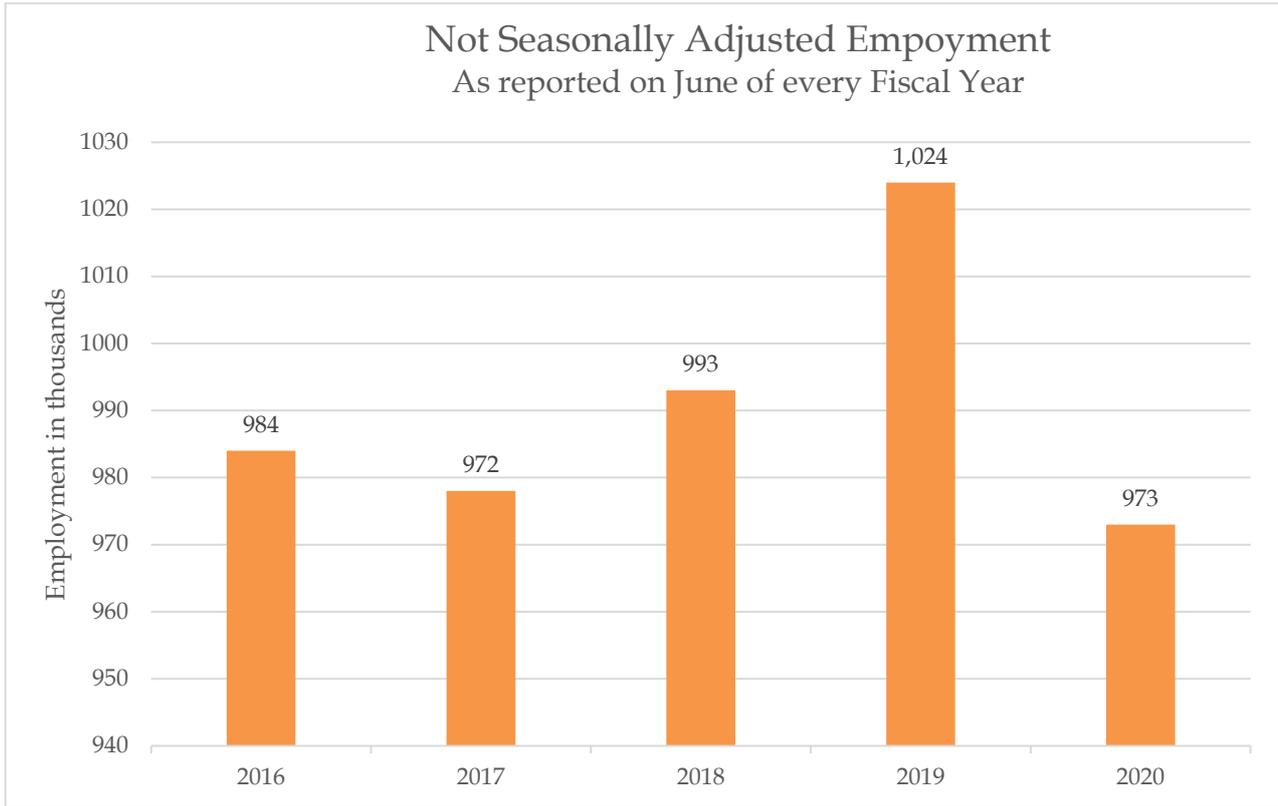
Puerto Rico continues to face increasing economic pressures. A weak labor market together with fiscal constraints, remain the main causes affecting the local economy recovery. *However, the devastation caused by Hurricanes Irma and María, the several earthquakes which stroked the Islands' south region, several tropical storms and the COVID-19 Pandemic* has given us the opportunity to redesign major components of the Island's critical infrastructure, invest in the quality and resiliency of public and private buildings, restructure and modernize systems and reevaluate service delivery.

Main objectives are:

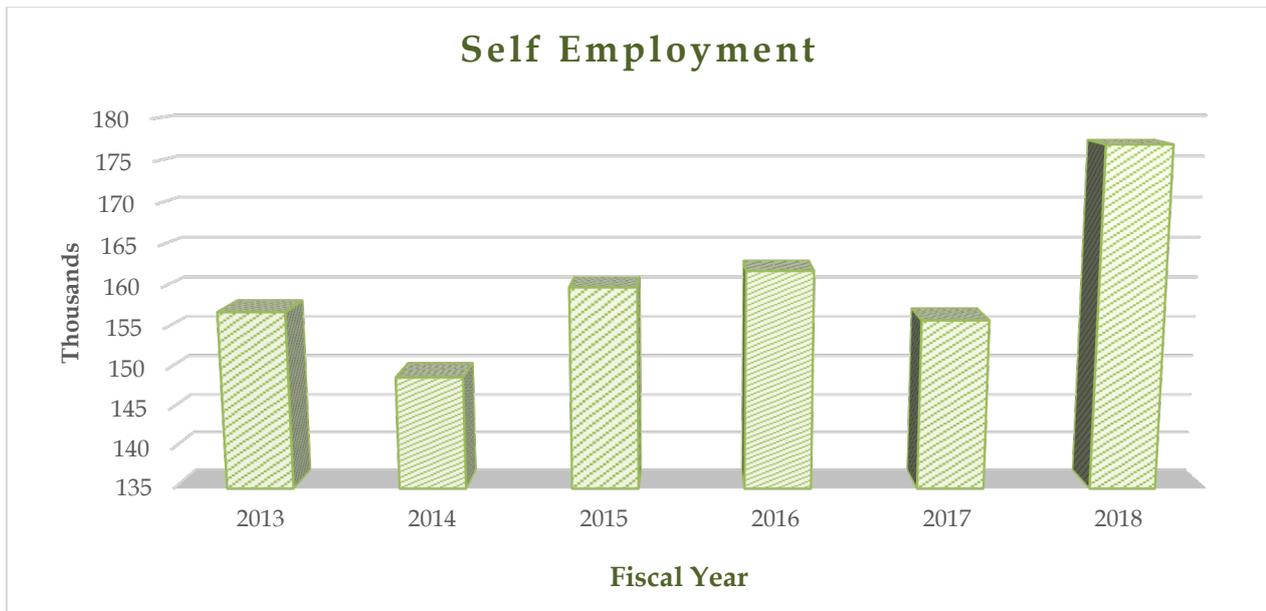
- ✓ Develop and protect human capital.
- ✓ Correct structural issues, bolster economic growth efforts, and utilize areas of opportunity.
- ✓ Improve Puerto Rico's competitiveness through less regulation, energy reform and other various structural reforms.
- ✓ Position Puerto Rico as a global investment 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 June 2020 the number of employed individuals reported by the Puerto Rico Department of Labor and Human Resources (PR-DLHR) (seasonally adjusted) totaled **973,000**, contrasted with the number of individuals employed in May 2018 (seasonally adjusted) that totaled **985,000**. (An updated table with the current's year numbers will be sent as soon as

they are available).

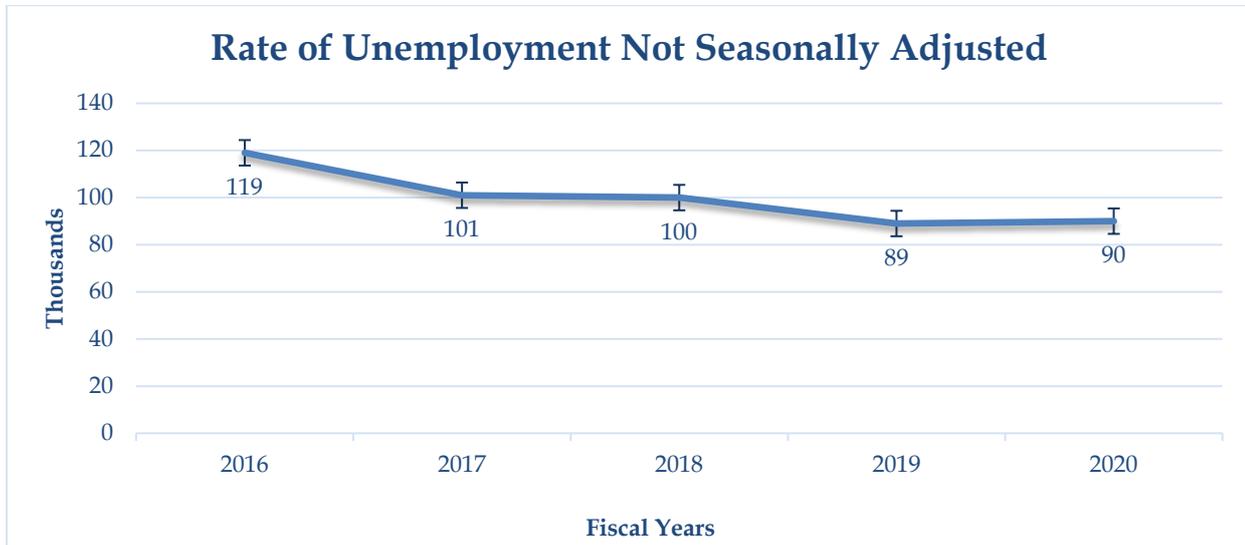


**Self-Employment** - The not seasonally adjusted estimated employment for self-employed individuals as of May 2018, was 177,000 as reported by the PR-DLHR.



**Unemployment** -As of May 2020 the PR-DLHR reported a not seasonally adjusted unemployment rate of 90,000. 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. 2020 HHS Poverty Guidelines

The 2020 poverty guidelines are in effect as of January 17, 2020. They shall apply as follows:

They shall apply as follows:

Persons in Family or Household	48 Contiguous States, D.C., Guam & Virgin Island	Alaska	Hawaii
1	\$12,760	\$15,950	\$14,680
2	\$17,240	\$21,550	\$19,830
3	\$21,720	\$27,150	\$24,980
4	\$26,200	\$32,750	\$30,130
5	\$30,680	\$38,350	\$35,280
6	\$35,160	\$43,950	\$40,430
7	\$39,640	\$49,550	\$45,580
8	\$44,120	\$55,150	\$50,730
<b>For each additional person add:</b>	<b>\$4,480</b>	<b>\$5,600</b>	<b>\$5,150</b>

### Nutrition Assistance Program Participants

Number of average household units, household members, and monthly benefits per household for FY 2011 to 2020 from the ADSEF

Federal FY	Number of Household Units (Thousands)	Household Members (Millions)	Average Monthly Benefits Per Household
2020	751	1,366	\$317.87
2019	723	1,329	\$296.32
2018	692	1,287	\$253.65
2017	659	1,257	\$238.61
2016	666	1,269	\$238.24
2015	669	1,324	\$225.38
2014	668	1,348	\$221.05
2013	666	1,360	\$240.26
2012	664	1,375	\$237.99
2011	644	1,353	\$246.73

**Nutrition Assistance Program Monthly Participation and Benefits  
FY 2019**

Month	Household Unit	Household Members	Benefits	Cumulative Total
October, 2019	712,472	1,302,411	\$ 184,124,912	\$ 184,124,912
November, 2019	711,008	1,298,506	\$ 199,650,711	\$ 383,775,623
December, 2019	710,099	1,296,166	\$ 198,937,416	\$ 582,713,039
January, 2019	706,774	1,290,763	\$ 198,340,493	\$ 781,053,532
February, 2019	715,340	1,304,206	\$ 211,879,376	\$ 992,932,908
March, 2019	720,058	1,310,713	\$ 225,458,917	\$ 1,218,391,825
April, 2019	733,374	1,335,034	\$ 215,513,368	\$ 1,433,905,194
May, 2019	781,504	1,418,941	\$ 261,771,760	\$ 1,695,676,953
June, 2019	815,947	1,474,272	\$ 268,580,731	\$ 1,964,257,684

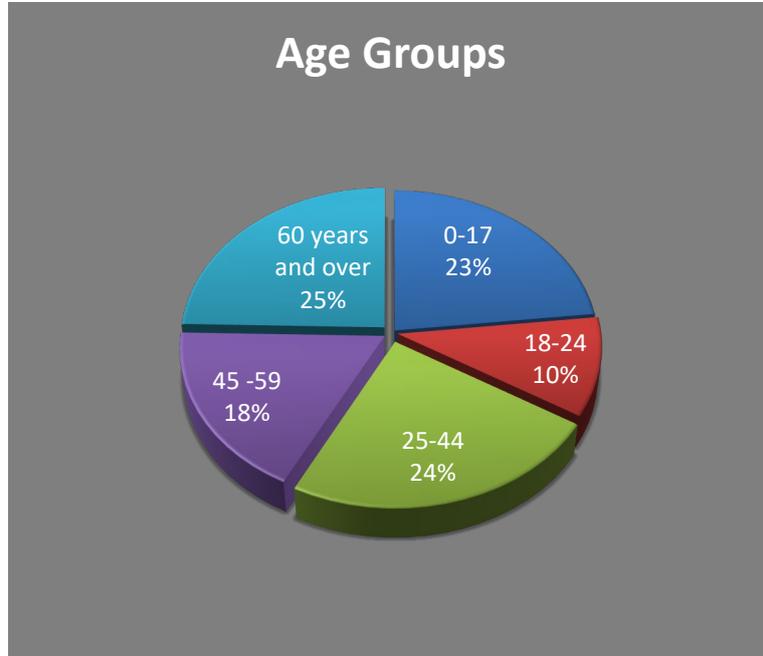
<b>July, 2019</b>	827,550	1,492,398	\$ 267,237,258	\$ 2,231,494,942
-------------------	---------	-----------	----------------	------------------

**Average of NAP Participants and Households  
FY 2020 (October 2019 to July 2020)**

<b>Households</b>	<b>Persons</b>	<b>Benefits</b>
751,369	1,365,502	\$223,149,494.20 <sup>5</sup>

**FY 2020 - July 2020 of NAP Participants by Age Groups<sup>6</sup>**

23% or 346,475 of NAP participants that received benefits during July 2020 are between ages 0 to 17, being this the highest percentage per age group. The other age groups are 18 to 24 with 10% (155,997), ages 25 to 44 with 24% (356,469), ages 45 to 59 with 18% (265,321), and ages 60 or older with 25% (367,579).

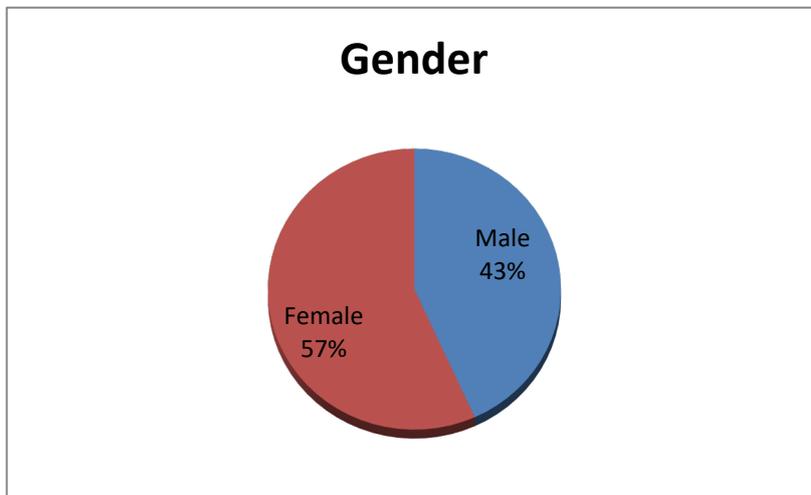


<sup>5</sup> Includes NAP Relief Funds

<sup>6</sup> SAIC-Case Management Information Systems.

FY 2020 - July  
Participants 60<sup>7</sup>

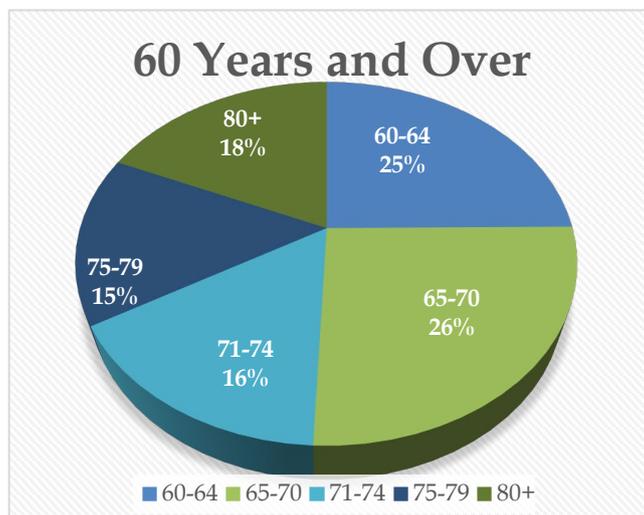
During July 2020,  
91,410 of NAP  
that receive  
benefits between the ages



2020 of NAP  
years and over

of 25% or  
participants  
benefits are  
60-64 . The

other age groups over 60 years are: ages 65 to 70 with 26% (94,986), being the highest percentage age group in the 60 years and over category. 71 to 74 with 16% (58,206), 75 to 79 with 15% (55,493) and 80 and over with 18% (67,484).



### FY 2020 July of NAP Participants by Gender<sup>8</sup>

During July 2020, 43.3% or 645,923 of participants were male and 56.7% or 845,897 were females; 103,280 were disabled and 4,097 were homeless NAP participants.

<sup>7</sup> SAIC-Case Management Information Systems

<sup>8</sup> Ibid

#### **IV. Criteria for Funds Distribution**

Due to the new COVID-19 reality the procedures to determine eligibility have been modified. However, the requirements are kept the same. To determine if a participant is eligible for receiving NAP benefits, local offices are using the agency's online system. The following information is an overview of the revised eligibility process. The Regulation No. 8684, dated December 28, 2015 - Rules for Determining the Eligibility of Applicants and Participants for the NAP is currently under review to include the new requirements.

Criteria for funding distribution includes the following:

1. Eligibility Requirements
2. Regular Distribution Method
3. Benefit Calculation Method

Requirements for eligibility are determine mainly by participants' income level and resources with slight 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 described below.

#### **1. Eligibility Requirements<sup>9</sup>**

##### **a. Non-Financial Requirements**

- a. Verification of identity
- b. Resident of Puerto Rico
- c. Form "Authorization for Require the Release of Information"
- d. Citizen of the United States or eligible alien
- e. Verification of alien status
- f. Verification of Social Security Number of all members of household
- g. Enrolled in School or participation in the homeschooling System (5 to 17 years of age).

---

<sup>9</sup> Due to the COVID-19 the eligibility requirements have been modified temporarily. These were reduced to identity verification with photo ID , and bill with name and address printed.

**b. 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. On September 2018, ADSEF began to apply special deductions to unemployment income and earned income, also applied 50% for retirement, veterans, and Social Security , as approved on August 2018 by FNS.

Source	Deduct
Earned Income: Wages/Salaries/Trainings/ Self-employment/unemployed	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
Retirements and Social Security: Retirement, Veterans, Social Security	50%
Other Income: Pensions (Child Support, Retirement, Veterans, Social Security, Unemployment) Assistance from relatives and friends	\$100

On FY 2015, ADSEF began evaluating college students that depend economically on a parent(s) who is/are 60 years or older or disabled independently for NAP benefits as approved on September 16, 2014 by FNS.

**c. 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 (Elder and/or Disabled or Children)	\$100
Terminally ill	\$100
Standard Deduction	\$100

\* Cannot take both Elderly and Disabled deductions

#### **d. Resources**

The maximum amount of allowable resources for a household is \$5,000 except for households with a 60-year-old or more member, in which that case can go up to \$15,000. 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.

## **2. Income Eligibility Criteria**

Electronic Benefits are issued once a month and distributed in a staggered manner between the 4th and 22nd 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, 100% of the benefits will be distributed for the purchase of eligible food items in certified retailers. Benefits to households are assigned according to the Table of Benefits.

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

## **3. Benefit Calculation Method**

The method for calculating benefits under the NAP takes into consideration the number of household unit members 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, NAP participants receive monthly benefit adjustments, according to ADSEF’s system to distribute funds each month. NAP participants benefits increase (percentage adjustment) is based on the **amount of funds to be distributed monthly** according to the approved budget (available funds), **less** the monthly amount of benefits authorized, according to the information provided by OTI (benefits issued). Then the result is **divided between the participant’s total** authorized benefits for each month, and thenceforth authorize participants as their final benefit monthly.<sup>10</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	
Previous 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		

The regions that participate in the Family Markets have been assigned 4% from participant’s benefits which are issued as an electronic voucher. These funds come from the monthly increase percentage amount. For example, using the same numbers on the preceding table, the “increase factor for November” is 0.2648. The 4% of that amount,

<sup>10</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.

will be allocated to the Family Market's 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 totally depend on the funds available from the increasing factor.

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

#### **4. Certification Procedures**

##### **a. Regular**

ADSEF is working on re designing the certification process because of the new requirements set by the COVID-19 new reality. Even though this certification process has been developed to comply with a disaster/emergency executive order, the agency intends to implement it as the regular certification process. This new system incorporates a contactless procedure. However, the eligibility requirements will not be altered. Eligibility must be determined within 30 days from the date the application is filed and signed by the applicant. Benefits will be effective on the same month the application is filed. The amount to be received will be prorated according to the date the application has been filed. For example, if the household applies between the 1st and the 10th day of the month, is entitled to receive 100% of the benefits. If the household applies between the 11th and 20th of the month is entitled to receive 66% of the benefits. If the household applies between the 21st and the 31st of the month is entitled to receive 34% of the benefits. The application is considered the day it is filled, and the benefit are prorated according to the application date.

##### **b. Disaster/Emergency**

Special benefits are provided to applicants and participants who have an immediate need for food due to disasters such as, hurricanes, storms, flooding, earthquakes, landslides, Pandemic, fire or lack of energy as a consequence of a disaster, and as long as no other public or private entity has provided the same aid. Benefits must be issued no later than five (5) days from the date of the application. The amount to be received will be prorated according to the date the application has

been filed. If the household applies between the 1<sup>st</sup> and the 15<sup>th</sup> of the month, will be entitled to receive up to 100% of the benefits. If the household applies between the 16<sup>th</sup> and the 31<sup>st</sup> of the month 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 benefits 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.

## Chart of Benefits – Regular

### Maximum Monthly Net Income by Household Size (effective date October 2020)

Household	Maximum Benefits	Maximum Net Income
1	\$112	\$619
2	\$216	\$1,179
3	\$315	\$1,706
4	\$410	\$2,206
5	\$499	\$2,666
6	\$599	\$3,199
7	\$679	\$3,599
8	\$776	\$4,112
9	\$874	\$4,632
10	\$972	\$5,152
11	\$1,069	\$5,666
12	\$1,167	\$6,186
13	\$1,264	\$6,699
14	\$1,362	\$7,219
15	\$1,459	\$7,732
16	\$1,557	\$8,252
17	\$1,654	\$8,766
18	\$1,752	\$9,286 <sup>11</sup>

<sup>11</sup> Household units with more than 18 members are divided into two groups.

## 5. Verification

Due to the COVID-19 emergency the verification process has been modified. Even though the following list are the documents traditionally requested to verify the applicants' identity, income and family composition among others, the list was reduced to only two (2) documents to facilitate applicants' access to the benefits during the emergency.

The following are the documents required **during the emergency**:

- a. Photo ID
- b. Bill with the applicant's address

The following are the **regular verification process** documents :

- i. Photo ID
- ii. Residency
- iii. Authorization to require of release information
- iv. Citizenship and alien status
- v. Social Security Number of all household members
- vi. Income and resources
- vii. Self-employment expenses
- viii. Post-secondary student status
- ix. Enrolled in School or Home-Schooling System minors 5 to 17 years old
- x. Care of minor or dependents with physical or mental limitations
  - xi. Disability status
  - xii. Medical expenses
  - xiii. Age
- xiv. Homelessness - If the person does not 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). Nevertheless, ADSEF will provide that person 30-days to present social security evidence, 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.

- c. The agreement with the **Demographic Registry at the Puerto Rico Health Department**. This agreement permits the exchange of information regarding death certificates. The draft of the agreement was submitted for the Secretary's approval.
- d. **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). This agreement is under evaluation.
- e. **Beneficiary and Earnings Data Exchange with the Department of Labor**. This agreement is under evaluation.
- f. Referral of fraud investigations to **Internal Revenue Service**, Department of Justice and Department of Treasury of Puerto Rico. ADSEF is in the process of negotiating with the federal agencies an MOU to include fraud investigations.

## 6. Appeal Process

The Administration will provide applicants/participants, who have been adversely affected by an action, 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. This is informed with each adverse

action notice. As part of the process, the person affected 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:

**a. 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.

**b. 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.

## **7. Filing an Appeal Application**

- a.** The applicant, participant or an authorized representative 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.
  
- b.** The applicant shall be given the opportunity to express if he/she wants to continue receiving the benefits without changes until the appeal action is taken. The corresponding office shall proceed according to the appellant's preference.

- c. The participant shall be informed that if decides to continue receiving the benefits without any adjustment and the Board of Appeals confirms the action, he/she shall have to reimburse the ADSEF for any benefits received during the appeals process.
- d. The appellant shall be informed that if accepts that the recommended action and the decision are in favor, all benefits not issued during the process shall be restored to him/her.
- e. Once the appeal application has been received, the Board Director or the Examiner will have thirty (30) days to select a date and send a notification to all concerned parties indicating the date, time and place where the adjudicative hearing would take place. The notification must be sent at least fifteen (15) days prior to the date selected.
- f. Usually, as an informal process, the hearings will be celebrated at the regional offices, but also can be arranged at the Department of the Family Headquarters, or at any other place chosen near the local office depending upon participants' or location availability.
- g. Once the hearing process is concluded the Examiner officer will have thirty (30) days to prepare a resolution draft or a written report with recommendations, facts determinations and legal conclusions for the Board members consideration.
- h. The members of the Adjudicative Board can approve or deny the recommendations and conclusions included in the draft resolution and expose another opinion about the matter. The final decision should be made within ninety (90) days of the initial hearing.
- i. Any reconsideration petitions on the Board decisions must be presented within twenty (20) days from the Board's resolution notification. The Board shall consider any petitions within fifteen (15) days of filed.

- j. As stated before, the final resolution must be presented and filed within ninety (90) days of the reconsideration petition filed.

## **8. WORK REQUIREMENT MANDATE**

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 SNAP 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 SNAP.
- ABAWDs are a subdivision of the Work Provision's SNAP 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, it requires an ABAWD to also meet certain special SNAP 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 SNAP Program activity, or take part in an approved workfare 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. If the special SNAP work rules are not met a non-exempt ABAWD can only receive 3 full months of NAP benefits in a 3-year period. This is called Time-Limited Benefits.
- Even though Puerto Rico is not required to comply with the Work Requirement because of its NAP block grant status, we will start the planning process on FY 2020-21. We have divided the implementation in four (4) Phases. ADSEF/DF will start with Phase I, by October 2020.

## **9. 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. This contract has been recently signed for a period of two years, until August 29, 2022. On the other hand, ADSEF/Fam has started the RFP planning, by selecting the company that will develop the new RFP.

NAP benefits deposited in the EBT account can only be accessed 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 use outside of Puerto Rico. The 100% of the NAP benefits are issued for food purchases. Starting on October 1<sup>st</sup>, 2020 NAP participants will use 100% of their benefits for the purchase of eligible food items in certified retailers.

1. **Family Markets** - 4% of NAP Participant benefits are separated exclusively to purchase nutritious fresh food at the Family Markets in participating regions and municipalities. The 4% portion is included in the monthly adjustment as an “electronic voucher” and is calculated by 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.
2. Transactions made at authorized retailers involving eligible food purchases are free of charge or additional fees. 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 remaining benefits in EBT accounts. The FC is mailed to the participant’s address, and the PIN number is mailed separately with the activation instruction.  
  
Recipient orientation includes the use of an audio response unit (ARU) and access to a Customer Service Representative (CSR) using a 1-877-467-

4832; 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 by calling our customer services representative.

As part of the benefit assignment process, the Article 51(G) of NAP Regulation Number 8684, states that when the person responsible for the services or their representative, does not access the benefits in the account for more than 60 days, the account is **inactivated or called dormant**. If the person in charge of services or their representative does not access the account benefits for more than 60 days, the participant's benefits are reverted to the program, which is called **expunge**. At 120 days, the funds available 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. ADSEF will monitor these cases.

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.

#### **10. CALL CENTER 3-1-1**

The Call Center 3-1-1 is a NAP service for clients and/or potential clients who apply for the program benefits by calling telephone number 3-1-1. The center's staff provides orientation to callers on the necessary requirements to determine NAP benefits eligibility. Also, provides general guidance on the NAP requirements, certification services, complaints regarding possible violations to Regulation 8684 (NAP Regulation) and 8857 (NAP Retailers Regulation). Also, 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). In terms of the eligibility process, 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 completing the application process. SIBIF System is also available on ADSEF's webpage.

## **11. Program Administration**

ADSEF Administrates the Nutrition Assistance Program (NAP) for the Department of the Family. The ADSEF's Organizational Chart and the Regional and Local Offices are included within this document.

### **A. Office of the Assisting Administrator for Operational Services (OAAOS).**

The office of the Assisting Administrator for Operational Services (OAAOS) is responsible for the planning coordination, organization, direction, supervision, and evaluation of the administrative, operational, and programmatic performance of all the activities related. OAAOS consist of two (2) Divisions, Program Administration and Strategic Planning. The Assisting 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 Division is responsible of implementing any policy changes and for developing regulations and procedures required for the state plan operation. The Programmatic and Administrative units assigned to the Divisions are in the next section.

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

##### **a. Food and Nutrition Services**

Nutrition Assistance Program (NAP) - Benefits are deposited in the Family Card, through the EBT System.

- ✓ Nutrition Education Program (NEP)
- ✓ Family Market.

b. The Emergency Food Assistance Program (TEFAP)

c. Soup Kitchen

d. Child Care Food Program (CCFP)

Administration for Children and Families

✓ Temporary Assistance of Needy Families (TANF)

✓ Low Income Home Energy Assistance Program (LIHEAP)

✓ Economic and Social Development Opportunities Program (PODES)

✓ Strategic Planning Division

**g. Programs and Planning Unit**

This Unit responds directly to the Assisting Administrator of Operational Services and has the responsibility of planning, evaluating, measuring, and producing the programs' statistics of the Office of the Assisting Administrator for Operational Services and any other Administrative units within ADSEF. Some of the responsibilities of the Planning 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 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 responsible for compliance at the sub-grantee level. In addition, it is responsible of informing the sub-grantee

of the applicable federal requirements and any administrative requirement.

## **2. 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 measuring method plus 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) selects 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 samples of December and budget month of October. The data obtained from the research is shared with the regional and local offices 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 reports the actions taken through the ADSEF-213. The Regional Office follows up on the findings by 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). The benefit calculation is 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.

The error percent established on the tolerance level is 4.5% for positive samples (active cases) and 6% for negative cases. Certification of the error percent obtained is sent to FNS, 6 months after the end of the federal Fiscal Year. MERS's annual report findings are submitted 90 days after the error's percent is certified.

### **3. 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 number of samples required for RMS are 3,300 distributed between the ten (10) Regions.

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 the process is performed according to the RMS Procedures Manual, we conduct local offices reviews with the RMS Coordinator at the agency's headquarters. The responsibility of the RMS is assigned to the RMS Headquarters Coordinator. This employee evaluates results, provides follow up on the sample cases response process and periodically evaluates that the RMS is has been applied accordingly by checking the data entry, among other responsibilities.

**The Random Moment Sample for ADSEF's central office** started in **January 2020**. The total amount of samples is 300, since the total of employees working at the central office is 700. Once ADSEF's operations are re-established 100%, the agency's sample would increase to approximately 3,600 samples.

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

The Office of Inspection and Certification (OIC) is responsible for 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.

OCI is responsible of preparing the agency's monthly reports to FNS on the following:

- a. Monthly Retailers-SDEC and NAP Family markets Reports
  - ✓ Non-Redeeming Report (also known as Zero Redeemers)
  - ✓ Complaints Report (complaints against retailers)

- ✓ NAP Retailer Status Report
- ✓ NAP Family Markets

## 5. Education and Orientation

OIC is focus on keeping retailers, wholesalers, and beneficiaries informed of the NAP's objectives and requirements. The fraud prevention education is provided through on-site visits and at special workshops.

During the on-site monitoring reviews, OIC personnel ensures that all personnel working at the establishment are aware of NAP rules and regulations. New retailers and wholesalers must sign a certification that they have received and understand Regulation Number 8857, dated November 23, 2016, for the Commercial Establishments certification, which will give them a authorization to debit NAP Program Funds from the participants Family Card.

### **On-site Authorizations, Reauthorizations and Monitoring**

Regulation Number 8857 establish that the agency must provide an inspection visit as a requirement for the initial authorization and bi-annual recertification. OIC visits and evaluates all new retailers and wholesalers, to verify that the information provided on the application is accurate. 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.

At the same time, the OIC employees or contractors will verify through the establishments on- site visits, that the Authorization Certificate and orientation/informative posters are visible to the public. During the visit, OIC verifies NAP redemptions for at least a 12-month period prior to the visit. This will demonstrate if the redemptions comply with program requirements. OIC personnel are required to take pictures of food inventory and facilities during their visits.

ADSEF might disqualify an authorized food retailer if by any instance a violation occurs as a result of an on-site investigation, findings on inconsistent redemption data, evidence obtained through an EBT system transactions report, or a retailer's disqualification from the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), based on 7 CFR 278.6.

As part of the Regulation 8857 penalties, ADSEF could fine or disqualify a retailer if it does not comply with NAP policies. Sanctions could fluctuate, starting with an initial fine and could end with the revocation of the retailer's NAP certification, in the case that fraud is proven or persists. Decisions will be subject to a full analysis and interpretation of the program's regulation. In case of re-occurrence the penalties will be as follows:

- a. For one (1) previous determination of regulation's violation, the suspension will be extended up to six (6) months and a fine will be applied.
- b. For two (2) previous determinations of regulations' violation, the suspension will be extended for up to twelve (12) months and a fine will be applied.
- c. For three (3) or more previous determinations of regulation's violation, the suspension will permanent and a fine will be applied.

ADSEF has developed a system to determine merchants' eligibility and case management for those interested on NAP funds. The Commerce Eligibility Determination System (acronyms in Spanish as SDEC). This application provides filters for any information displayed on the monitor, shows case numbers and authorizations, the persons that have been recently working at a retailer, retailers integration as ADSEF's merchants and print any information needed.

ADSEF will continue monitoring the institutions (group homes/rehabs, etc.) that have been certified by OIC.

**The following are the requirements for the Debit Nutrition Assistance Program (NAP) Funds Family Card (FC)**

- a. Any 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. Certification is issued by ADSEF.
- b. Any establishment that wants to participate or renew its certification must file an application. ADSEF has the authority to approve or deny the application or request additional information within thirty (30) days of the application's receipt. ADSEF will visit the retailers/wholesale at least once a year to confirm that the establishment complies with Article 13(B) and 15(C) from the Regulation Number 8857.
  - ✓ *Retailer with an expired certification could have its EBT cards privilege removed by ADSEF at any time.*

**6. Legal Affairs Office ADSEF**

The Legal Division Office is responsible for matters concerning legal claims; contracts; agreements; investigations of complaints concerning retailers and employees; meetings with retailers because of investigations; community relations; and fraud cases. ADSEF's Legal Division Office works directly with the Legal Affairs Office of the Department of Family - Secretariat and advises the Administrator and Assistant Administrators in any legal matters that may arise related to ADSEF.

a. **Contracts and Agreements**

The Legal Division Office is responsible for preparing the contracts and agreements related to ADSEF. The office's responsibilities include: drafting of contracts or agreements; request funds and authorization to 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.

**7. Investigation, Meetings and Sanctions of Authorized Retailers**

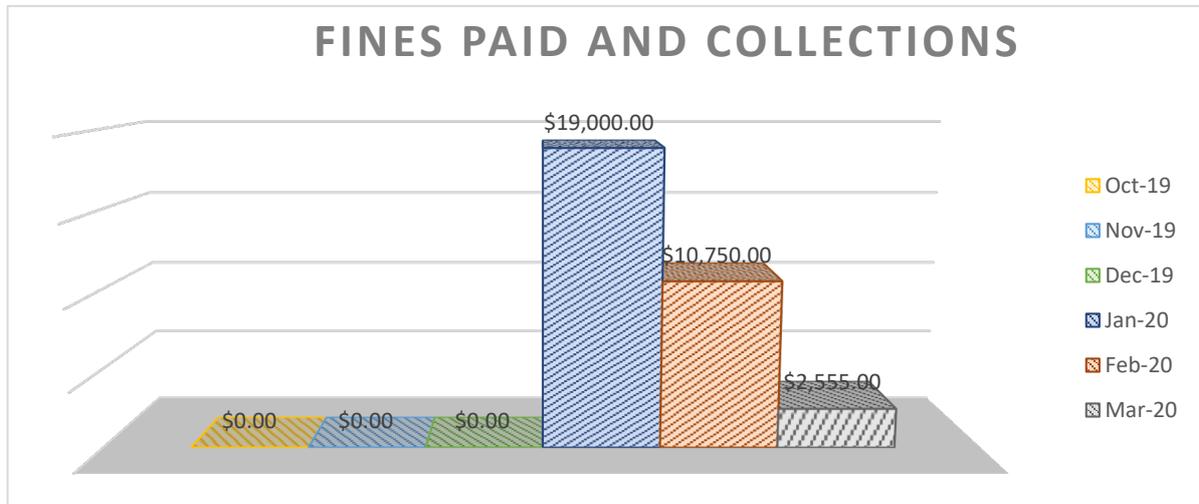
The Legal Affairs Office evaluates complaints regarding possible violations to Regulation Number 8857, received by phone, letter, and/or email, among other ways, and investigates them (undercover visits, transaction analysis, and other information on the retailers file). If as a result of an investigation 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.

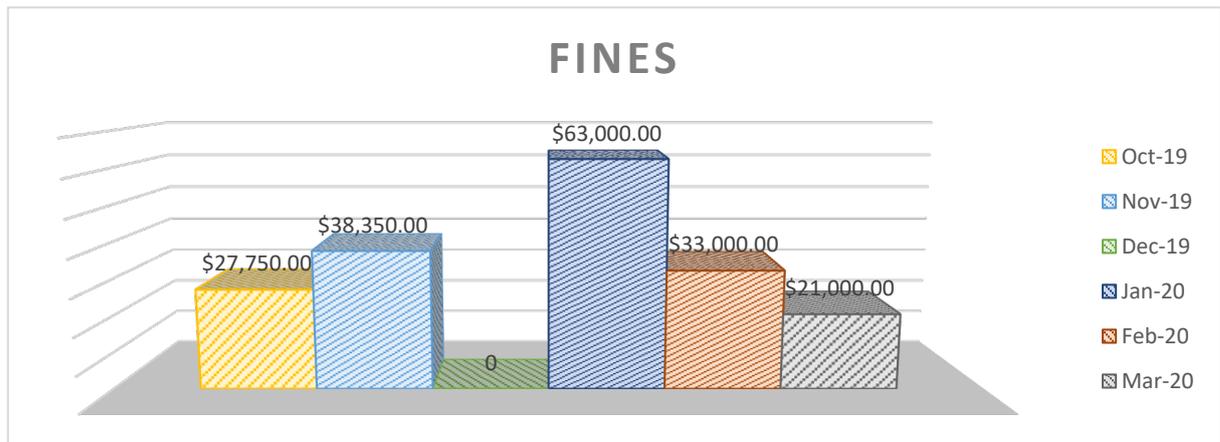
The criteria for determining that a retailer is in breach of the provisions of the Regulation are settled on the Article 21:

- ✓ 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 NAP funds from the holder of the Family Card (FC).
- ✓ Failure to deliver the cash register and/or POS (fixed or wireless) receipt that reflects the transaction made to the person holding the FC
- ✓ Collection of sales and use tax (IVU) on transactions with the Family Card.
- ✓ Credit purchase to the person holding the FC. Any transaction made with NAP funds must reflect the sale at the date and time the eligible food was purchased.
- ✓ Sales of alcoholic beverages, and tobacco in any of its forms of consumption, pornographic material and / or electronic games or lottery tickets with NAP funds to the person in possession of the FC.
- ✓ Hold the Family Card for any reason.
- ✓ In the case of certified institutions, allow the use of all or part of the NAP funds to purchase non eligible foods or any other transaction not related to 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.

The following table represents the fines imposed to retailers that have committed violations to the program between October 2019 and March 2020.



The following table represents the fines paid resulting from violations to the program between October 2019 and March 2020.



## 8. Community Relations Office

- a. **Community Relations:** This staff provides guidance to citizens on NAP's eligibility, policies, and procedures. Also, provides orientation to recipients regarding eligibility determination, policies, and procedures concerns; coordinates with Regional and Local offices to solve inquiries and complaints received by phone, letter, or email, among other ways; and responds to the information required in subpoenas and court orders.

- b. **Interagency Cases:** this subdivision offers support in PARIS Match processing by answering states requests and contacting them for matches in Puerto Rico. Also, verifies TANF time participation for category C - applicants.
- c. **Immigration Status:** Staff is responsible of using the SAVE application to verify immigrants applying for benefits status. From

## 9. Programmatic Integrity Division

The Programmatic Integrity Division (“DIP” Spanish acronym) of the Legal Affairs Office monitors EBT transactions and redemption by 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 participants, retailers or institutions violations to NAP regulation in coordination with local and regional offices. During FY 2020-21, we will continue to strengthen the DIP at central and regional offices.

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, the agency will start a collection process against the person responsible of the service nucleus.

The Administration will send or deliver a notification with the following information:

- a. Reasons for the claim and the period covered.
- b. Classification of the claim.
- c. Amount owed.
- d. Compensation for retroactive benefits that reduced or paid off the debt, if applicable.
- e. Right to file an appeal with the Department's Adjudicating Board and term.

This office also investigates the cases to determine Intentional Program Violations 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:

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

The DIP is also responsible of preparing monthly reports to FNS on:

- a. Participant Claims (monthly and annual reports)
- b. Retailer Actions (actions against retailers for NAP Program violations)

## **10. Office of the Assisting Administrator for Finance and Budget**

### **a. Finance Division**

The Office of the Assisting 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.

**b. 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 **Banco Popular de Puerto Rico (BPPR)**.
- ✓ 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.

**c. 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 claimed monies from 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 quantifies the account needs before benefits are reverted. 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 deposit 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.
  1. Review and submits to the Department of the Treasury, the documents related to the persons nominated for official, assistant, and Assisting collector.
  2. Reconcile the deposit forms after their accounting to ensure correctness.
  3. Distribute official receipts and deposit forms to regional and local offices.

4. 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.

**d. Accounts 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.”

**e. Budget Division**

1. Prepares the annual budget to be submitted to local, federal agencies and the Legislature.
2. Prepares fiscal reports.
3. Evaluates the availability of funds for the acquisition of goods and services for the operation of the program.
4. Prepares the Monthly Operational Cost Budget for the NEP.
5. Managing the Operational Cost

The Monthly Operational Cost is based on current expenditures for those items that apply to the operation of the NAP as submitted to Puerto Rico’s Budget and Management Office, for FY 2020-21. A description of those operational costs follows:

1. Salaries: Included Regular Employees, Transitory Employees, Irregular Employees, Professional, and Consultant Services Government’s contribution to Social Security, Retirement Plan,

and Christmas Bonuses.

2. Travel expense estimates and out-of-the country official travel.
3. Unemployment Insurance is based on procedures established by the Department of Labor of the Government of Puerto Rico.
4. State Insurance Premiums are those related to work compensation insurance for employees.
5. Insurance for employees in travel status.
6. Medical Plans are the government's participation of the employees' medical plan premiums.
7. Public Building Rent.
8. Rent of non-public building and other equipment.
9. Postage – includes mailing of communication related to the Program.
10. Printing of all forms required for NAP.
11. Electricity for central, regional, and local offices.
12. Building repairs and conservation.
13. Miscellaneous services.
14. Material, supplies, and parts.
15. Telephone services.
16. Equipment includes the purchase of replacement of furniture or additional equipment.
17. Water and sewer service.

**f. Cash Management**

The Cash Management Section is responsible for claiming daily disbursements corresponding to Federal Programs activities managed by ADSEF. These funds request 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.

**g. Federal Reports**

1. 7 CFR 3016.25 (b) = Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
2. Program Income: Program income means gross income received by the grantee or sub-grantee directly generated by a grant-supported activity or earned only because of the grant agreement during the grant period.
3. 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.
4. In the SF - 425/778 (Financial Report for NAP), ADSEF submits quarterly (December, March, June and September) the information to FNS. Submits claim reports (FNS-209-PR) to the USDA, Food and Nutrition Service and to the Federal Reports Section.
5. Prepares the actual operating cost reports on a quarterly basis to allow management to compare against the budgeted cost 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.

6. The Federal Reports Division performs the following duties:
  - a. Prepare and execute reports about the use of funds as required by Federal Government Agencies.
  - b. Review considered transactions to verify that they have been coded correctly.
  - c. 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.
  - d. 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.
  - e. SF-425/778, Financial Status Report. As of October 1<sup>st</sup>,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.
  - f. 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.

**h. Office of the Assisting Administrator for Human Resources**

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

The office is also in charge of supporting the coordination of trainings to all staff to provide information regarding the amendments and new proposals to implement. The Assisting Administrator for Human Resources responds directly to the Administrator.

**i. Office of the Assisting Administrator for Administrative Services**

The Administration Services Area provides support for the agency and its programs. It is responsible for ensuring compliance with the administrative rules and procedures for each of the locations. It is also responsible for the planning, organization, management, and control of administrative services, and recommendations to optimize its performance. The office participates in the development and actualization of the administrative procedures' manuals.

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 is 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 is 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 89 locals.

The Assisting Administrator 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 attends and resolves all matters related to the physical plant in coordination with the Building Manager.

It is 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 emergency, the Office of the Assisting Administrator for Administrative Services shall check processes and validates 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) in the Secretary Office.

**j. Press Officer**

Currently, ADSEF does not have a Press Officer assigned. All communications including the four (4) administrations of the Department of the Family, respond directly to the Secretary's Press Office. The Chief Communications Officer is the one responsible for the public information campaigns related to all programs, coordinate press conferences and public awareness activities. The Chief Communications Officer and his staff will assist the NEP personnel and the Family Markets coordinators, with the media and public relations plans.

**k. Office of Technology and Information (OTI)**

This office provides ADSEF's programs with the verification of input data that includes the benefits calculation, payments issuance, computer matching, participant's master files/database updates, transfers 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 technology information and communications infrastructure, developing the programming, and maintaining the

Automated Case Management System (SAIC, Spanish acronym). This system needs to be updated gradually, since it was created in the 1980 and contains NAP participants' database.

The ADSEF implemented an alternative recovery data center (DRC) to ensure service continuity at the Department's Headquarters, it consists of several servers with updates of our database and application servers that would be activated and available for our users in case of an emergency. This backup system will be available to the users that have access to a live communications line. The servers are installed at the "Minillas" facilities, ADSEF is confident with the integrity of the secured, 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 the PARIS list to local offices four times a year (February, May, August, and November) and matches the beneficiaries' information 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 the case numerical order as follows:

<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 does not 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.

## 11. Family Markets

The Family Market were approved by FNS as a permanent project on 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



responsible of 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 2021 ADSEF's 50% portion expected to be reimburse to ADEA is approximately up to \$350,000 and will be covered by the Operation Costs (FMNP) of the Administration Budget. To calculate the Family Markets total expenses for the fiscal year 2021, ADEA used as reference the previous years' expenses managed by the Market.

The Family Market have farmers who move each month within the project regions, offering agricultural products with emphasis on fresh fruits and vegetables minimally processed. Currently, the Family Market is operating in 10 regions with a total of 52 Municipalities. The current operating regions are San Juan, Bayamon, Humacao, Carolina, Aguadilla, Arecibo, Caguas, Guayama, Mayaguez and Ponce. Due to the COVID-19 pandemic and other previous natural emergencies the Market's expansion to other Regions has been suspended.

Both, ADSEF and the Department of Agriculture are aware of the importance of disabled, elderly, and homeless populations accessibility to the markets. Therefore, ADSEF will continue working with municipal governments to coordinate transportation for participants to those market places. The Department of Agriculture selects centralized, accessible locations for the entire population and 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 is 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 can redeem the electronic voucher and the additional benefits, as participants would do in any authorized retailer.

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 NAP benefits when buying food at fairs and farmers' markets. This will also promote 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, the transactions in the Family Markets are monitored in the same way as the certified retailers transactions, 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 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 of the Family Markets. This effort includes posters, local and national media (written and radio press), banners, speakers, and social networks posts, among others.

Some of the markets advantages 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.

### **Family Markets Expunge**

Participants have up to six (6) months to use their Family Market NAP benefits, once deposited in their EBT benefits card, before they expired. If this is the case, funds will be retrieved from the participants’ benefits and returned to the agency’s NAP accounts.

## 12. Nutrition Education Program (NEP)

ADSEF will continue providing NAP recipients a Nutrition Education Program (NEP) for Fiscal Year (FY) 2021. The program'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 2021, ADSEF will continue the healthy eating habits 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 are 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. 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.

a. **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).

b. **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. 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 monitors trends and dietary patterns of the NAP recipients. NEP educators provide orientations, questionnaires, and informative sheets in most of the activities they perform.

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 is 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 of 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.

**c. 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.

**d. 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 predisposition 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 is extremely important to consider self-esteem issues to ensure their participation in programs that involve physical activities. This is why it is so important to educate the importance of adopting a daily habit of physical activity that is 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.

**e. 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.

f. **Goals and Objectives**

Our NEP's goal 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. 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 FY 2021 and in accordance with USDA-FNS Guidance, Puerto Rico NEP will provide:

**For fiscal year 2021 our work plan includes the following:**

- ✓ Continue to train Program staff, home economists and Nutritionist on relevant issues that strengthen the promotion of a healthy nutrition education for NAP participants.

- ✓ Site visits to various certified supermarkets to evaluate if the products available in the market are cost effective for a NAP participant with a limited budget, for a healthy menu certified by a nutritionist.
- ✓ Telephone survey to learn about Family Card recipients' food practices in order to focus and re-evaluate educational strategies and interventions.
- ✓ Restart site visits to all ten (10) regions, local offices, family markets, and food distributions to reach NAP participants, to distribute information brochures and educate about healthy foods and the proper use of benefits.
- ✓ Use of technology and other visual resources to promote nutritional information, through educational capsules, etc.
- ✓ Develop monthly statistics' reports on people impacted by our educational program.
- ✓ Continue the annual support to the Child Care Food Program by promoting nutritional education to care providers.
- ✓ Continue supporting ADFAN's Elderly Multiple Activity Centers (CAMPEA) by reviewing their certified menu.
- ✓ To address the challenge of collecting population obesity data, ADSEF-NEP will meet with a local university, the medical association, and the Food and Nutrition Commission with the intention of establishing collaborative efforts to gather this data.

g. **Methodology**

A nutrition education wellness campaign helps recipients integrate healthier eating habits and physical activities. This campaign will reiterate 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.

**h. Strategies for FY 2021**

The Nutrition Education Program (NEP) aims to educate NAP participants and the communities on the benefits of nutritious foods, good health, eating habits and the need to be physically active.

Considering the COVID-19 pandemic’s current restrictions and the future behavioral of the virus, NEP interventions could be group-based and individually. Education services could include direct nutrition education, health promotions, and intervention strategies. Research demonstrates that programs targeted to offer nutrition education, must be lively, entertaining, enjoyable, and simple to better capture the attention of all the targeted age groups. Nutrition Education 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. At the same time, we are incentivizing the farmer markets for having fresh good healthy vegetables and fruits for NAP participants.

**Calendar for FY 2021**

October 2020	Study: Planning and Food Selection Practices Site visits to supermarkets: Study on NAP’s participants food purchases cost effectiveness
November 2020	Study: Planning and Food Selection Practices Site visits to supermarkets: Study on NAP’s participants food purchases cost effectiveness
December 2020	Study: Planning and Food Selection Practices Site visits to supermarkets: Study on NAP’s participants food purchases cost effectiveness
January 2021	Visits to local offices, food distributions, and family markets
February 2021	Visits to local offices, food distributions, and family markets
March 2021	National Nutrition Month Activity; training for program staff
April 2021	Visits to local offices, food distributions, and family markets
May 2021	Visits to local offices, food distributions, and family markets
June 2021	CAMPEA’s menu review. Visits to local offices, food distributions, family markets
July 2021	Review of educational material Reports, review of educational material
August 2021	Trainings for program staff, visits to local offices
September 2021	Review of educational material Reports, review of educational material

### **i. Media Campaign**

Efforts for an educational campaign will include a mixed strategy using paid and nonpaid media efforts in traditional media, such as television, radio, print and billboards, as well as digital outlets and social media, focusing on educating families on how to best use their benefits, nutrition choices and staying physically active. Educational materials, forums, events, and discussion sessions will aid recipients to transform their eating habits, make healthier and a maximize their benefits.

Reinforcing nutritional messages through mixed media alternatives as well as nonpaid media efforts will promote their general wellbeing. New participants will have access to better technological tools to manage their benefits and use them appropriately.

These strategies will promote how and where to apply for NAP and access new services. The campaign will also include other key elements such as: promotional items, posters, standing banners, brochures, and coloring books to increase the reach and impact of the messages. These tools will be used and extended to local offices, schools, supermarkets, Family Markets, special presentations in low-moderate income communities, and other official events. All developed items will have a direct connection to nutrition education and general wellbeing.

Educational items will include information of the different food groups, measuring cups, place mats that include My Plate, glasses – to substitute water for soda drinks, refrigerator magnet, tablecloth, book of activities for children and bags with the ADSEF and campaign logo.

### **Nutrition Capsules**

Educational capsules using public figures, professionals on the field of nutrition, chefs, doctors, and trainers will be created to reinforce

positive messages and lifestyles. The capsules are targeted to all the population and will have a multimedia approach, using social media, local television, and radio. The educational campaign will also use a multimedia approach with paid media strategies in radio, television and digital media intended to promote the proper use of NAP benefits, prevent fraud, and promote healthy choices. The paid media messages will be reinforced with nonpaid media strategies in TV, radio, print media and digital outlets.

#### **Web-Site**

The ADSEF portal will have a section solely dedicated to nutrition education accessible to NAP participants and the general public. Events, educational videos, and recipes will also be shared through the website, promoting healthy choices and active lifestyles for a better wellbeing. The information prepared and shared in the portal will have updated nutritional information, and interactive activities for all family members with a links to other relevant sites. **This link will also be available through a mobile application, that will be developed for those that do not have access to a computer but have a mobile phone.**

#### **“Mi PAN Nutritivo” Recipe Cards**

The nutrition educational efforts will also use digital and print recipe cards with a variety of healthy Puerto Rican recipes to be shared through social media and in events to be distributed among the NAP recipients. Recipes include USDA Foods made available in food distributions. The cards will be reviewed and updated with new recipes that will help in menu planning and educate all members of the family to commit to better nutritional choices.

#### **“Mi PAN Nutritivo” Tour**

The NEP Educators will visit communities, local offices, supermarkets, health fairs and other low-moderate recipient’s gatherings, to deliver nutrition messages and educational materials

regarding nutrition. The NEP Educators will also distribute questionnaires to the participants of these activities to assess their knowledge and gather information about the population served, modify strategies, and adapt the messages to their liking.

### **NEP Education Campaign Budget**

The Nutritional Educational Program 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 and shared through multi platforms and digital media, the development, media planning and the implementation of the campaign (radio, television, newspapers, magazine, billboards and digital) is divided per media and effort. The educational campaign is worked with an external communications agency in direct contact with ADSEF. The education campaign will have a cost of eight hundred fifty-five thousand (\$850,000.00) dollars. The table below itemized categories are subject to change, depending on the media market prices. All negotiations are managed by the government's Central Communications Office, as well as the identified strategies, for better promoting the messages.

NEP Educational Campaign	
Activity	Total
TV	200,000
Print /Newspapers	60,000
Magazines	10,000
Radio	70,000
Billboards	25,000
Branding	10,000
Content Development	20,000
Production	80,000
Public Relations	150,000
Digital Content Development	25,000
Website Enhancement	45,000
Promotional Items	50,000
Creative Designs and Arts	40,000
Printing	65,000
Total	850,000

**j. Educational Structure and Activities**

In FY 2021 the NEP Educators will continue distributing reading material to NAP recipients, **pending on the COVID19 pandemic restrictions and development.** The material provides information about the food selections for each day; the food group; 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 invite 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 material 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. It will be distributed during the USDA Foods distributions 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. The information will also be available on the Department's website.

- ✓ **Food Distributions:** If the COVID-19 pandemic conditions allow, the NEP Educators will participate at the Emergency Food Assistance Program (TEFAP) distributions, and will provide 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:** If the COVID-19 pandemic conditions allow, the NEP Educators will visit low-moderate income communities during social support fairs coordinated by the Department of the Family, other state agencies and non-for-profit organizations.
- ✓ **Certified Supermarkets and Retailers:** If the COVID-19 pandemic conditions allow, 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:** If the COVID-19 pandemic conditions allow, the NEP Educators will give lectures 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:** Due to the COVID-19 pandemic this school semester started virtual. Students will take classes from their homes. NEP will develop television short capsules so the information regarding nutritious and healthy eating habits get to all the NAP community.
- ✓ **Day Care Centers for Elderly Population:** If the COVID-19 pandemic conditions allow, the NEP Educators will visit Day Care

Centers for elderly people. This intervention will be coordinated with Elderly Multiple Activities Centers (CAMPEA) from the Families and Children Administration (ADFAN).

- ✓ **Region and Local Offices:** Currently the Regional and Local offices are closed. Therefore, if the COVID-19 pandemic conditions allow, The NEP Educators in coordination with the ADSEF regional offices will offer lectures. Otherwise, information will be posted on the agency's Web Page.
- ✓ **Family Markets:** As soon as the Family Markets are resumed and the COVID-19 pandemic conditions allow, 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.

#### k. **NEP Program Structure**

##### **Nutritionist**

The nutritionist responds directly to the NAP Director and is responsible for the supervision of program personnel that consists of **two (2)** Home Economists. 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.

### **1. 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. Due to the lack of personnel and budget restrictions, the 2020 earthquakes and the most recent COVID19 Pandemic restrictions, activities have been limited to the most affected areas. During FY 2021, we will continue to do this assessment in collaboration with the NEP Educator.

In this process ADSEF will review materials and resources presented in the SNAP-ED Strategies & Interventions.

The efforts listed in this document 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 and Physical 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.

Goal 4: Develop virtual surveys for data collection on participants' program collaborators and changes in sales of targeted food items.

Goal 5: 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 6: Increase access to and/or appeal of physical activity

opportunities for NAP-NEP eligible populations

**m. 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 2021, 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.

**n. Evaluation**

NAP-NEP evaluation activities address state-level goals and objectives and satisfy the reporting requirements of USDA-FNS. In FY 2021, Puerto Rico's NEP evaluation will be streamlined 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.

**o. Program 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

administrative work and four days of direct service.

**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:**

In order to meet the goals and objectives of the NEP, the attendance of the Nutritionist and 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.

✓ **Justification for travel:** The nutritionist 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.

✓ **Travel Destination:** The nutritionist travel to the local offices at each of the municipalities of Puerto Rico).

Number of Staff Travelling: one (1) Nutritionist

Cost of Travel for this Purpose: We have budgeted approximately \$333.00 for each staff member, each month a total \$20,000 for FY 2021.

### **13. Work Requirement (WOR) for the NAP**

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 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.

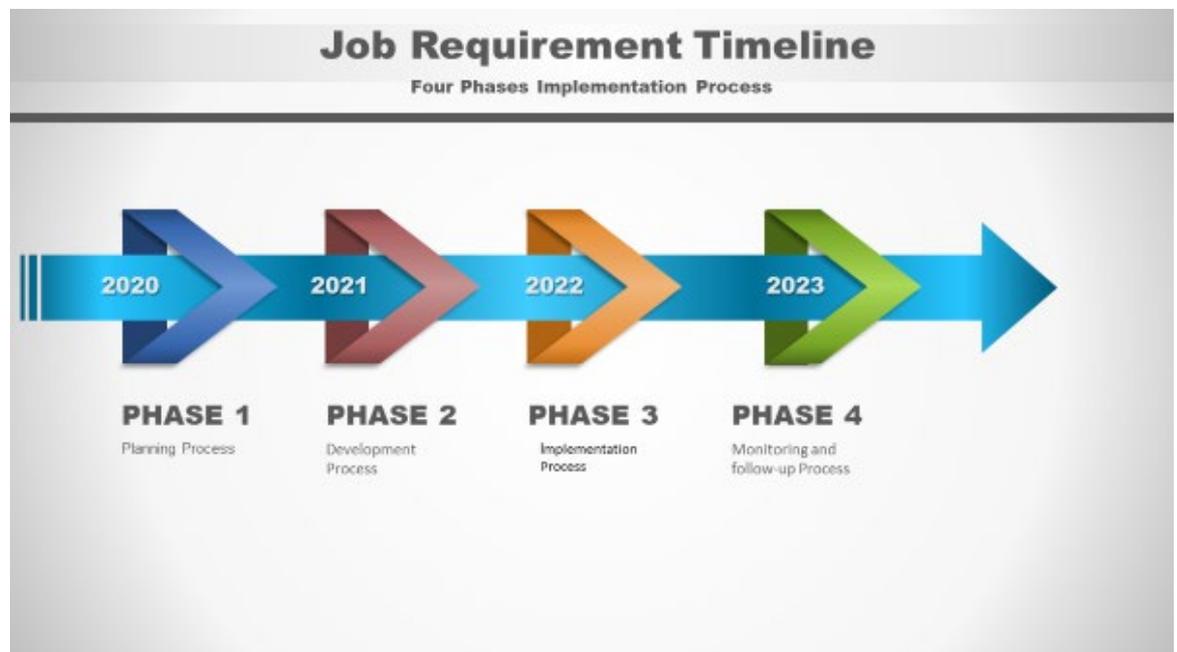
As part of the Human Capital and Labor Reforms of Puerto Rico, the FOMB has mandated that the Department of the Family starts with the implementation of the Work Requirement this fiscal year 2021. Targeted participants are able-bodied whose ages range from 18 to 59. Exceptions would include: (1) participants under 18 years and over 60, (2) parents with dependents under 18 years, and (3) medically certified unfit for employment. 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.

The government’s Fiscal Plan proposal for the implementation of a NAP work requirement 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.

The proposal for the implementation of a work requirement was designed using the ABAWD work requirement under the SNAP as a model. As

stated in the most recent Fiscal Plan, the Government’s strategy is to “include the necessary and prudent requirements to the [NAP] program that will seek an increase in labor force participation”. Therefore, the Department of the Family has agreed to start with the process of implementing the Work Requirement (WOR) for NAP’s ABAWD by October 2020. This process will be divided into four (4) Phases. The

**1<sup>st</sup> Phase** will be the **Planning Process**; the **2<sup>nd</sup> Phase** will be the **Development Process**; the **3<sup>rd</sup> Phase** will be the **Implementation Process** and the **4<sup>th</sup> Phase** and last will be the **Monitoring and follow-up Process**.



During the 1<sup>st</sup> Phase-Planning which has been scheduled to start by October 2020, the PRDF will establish the Work Requirement Planning Committee (WRPC). This committee will be responsible of developing and implementing the WOR 1<sup>st</sup> Phase. It will be constituted by representatives of the government and private sectors, as well as non-government organizations. The WRPC members will be recommended by the ADSEF’s Administrator and appointed by the Secretary of the Family Department.

The following is the list of suggested committee's members:

**WRPC members**

1. The Secretary of the Department of the Family,
2. ADSEF's Administrator,
3. Program's Assisting Administrator,
4. At least four (4) associate directors,
5. Two (2) NAP Supervisors.
6. Representative of TANF/ADSEF
7. Representative Department of Labor
8. Representative of WIOA program.
9. Representative of AAFAF
10. Representative of NGO
- 11) Private Sector Representatives
- 12) Any other member appointed by the PRDF Secretary and the ADSEF Administrator

The main stakeholders of this initiative will be the Department of the Family, ADSEF, the Department of Labor and Human Resources and the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAF for its Spanish Acronym), and voluntary services organizations. Since AAFAF is responsible for the development and implementation of the Government's fiscal plan; hence, it will be providing support for the implementation of this reform.

As it has been previously discussed with FNS, even though Puerto Rico is not obligated to implement the WOR because of its block grant and NAP status, former governor Ricardo Rossello determined to pursue a work requirement implementation according to his last Fiscal Plan proposal. Nevertheless, the ADSEF does not recommend the implementation of the WOR because of the dwindling economic situation, which has affected employment opportunities, and bankrupted businesses, among others before the Covid-19 became a world pandemic. Currently, the situation is

even worst since the mitigation efforts implemented since March 2017 to prevent the virus spread has left more than two hundred thousand (200,000) individuals unemployed. Therefore, ADSEF proposes the four (4) stage implementation process to begin during this fiscal year 2020. This will be covered in a four (4) year implementation period. However, in case that the US Congress approves Puerto Rico's transition from NAP to SNAP, the four (4) phase implementation plan would be adjusted to comply with FNS regulations.

#### **14. Puerto Rico NAP-Online Purchases Project (NAP-OLP) .**

The 2014 Farm Bill mandated USDA to conduct a pilot to test the feasibility and implications of allowing retail food stores to accept SNAP benefits through online transactions. This opportunity allowed households to make safe, secured, private, easy to use, in retail store online purchases. The project required that retailers provide similar support to that found for SNAP transactions. However, no benefits can be used to pay for fees of any type, such as delivery, service, or convenience fees. The goal of this project is to ensure that the foundational infrastructure necessary for running SNAP transactions online operates in a safe and secure manner.<sup>12</sup>

During this FY 2021 SPO, ADSEF proposes to join the list of states that currently participate in this National Pilot project. As a result of the COVID-19 pandemic, the method of shopping for groceries has evolved worldwide. Retailers have re-invented their mechanisms to allow shoppers to perform their purchases through an online application to prevent the spread of the virus at conglomerated markets, so PR has not lagged behind. A great percent of our retailers had chosen to use online shopping as a new tool to provide safe and secured shopping for their customers. However, NAP participants have limited options when it comes to online shopping for food, since not many of the retailers that provide this service are

---

<sup>12</sup> Information from USDA-FNS official website, under Online Purchasing Pilot.

certified to accept the EBT benefits card. This affects directly the most vulnerable NAP populations exposing them to the virus because they have to be physically present at a retailer in order to purchase food. Currently in Puerto Rico we have over 1.5 million NAP participants who receive the program's benefits. 25 % of this population are over 60 years old, being among the most vulnerable to become infected with the COVID-19.

Currently in Puerto Rico we have several retailers that have included NAP EBT online purchases in their digital platforms. NAP participants are allowed to purchase allowable non-prepared foods through the retailers' website and pick them up at their EBT certified stores. On the other hand, we have a health insurance provider that offers its participants an ATM card that could be used at all the EBT certified commerce to purchase non-prepared foods. The Health Insurance pays for the delivery, so these participants can enjoy from the benefits of online food purchases without leaving their homes. Currently, they are several food retailers that are ready to go to the next step. Meaning that NAP participants could complete their food purchases on line using their EBT benefits cards. If a retailer needs to charge costs associated with delivery and or services charges, would have to be done with non-NAP benefits.

ADSEF, goal is to allow all EBT NAP card holders to perform online non-prepared food purchases full transactions, at Certified Food Retailers. The retailer has to guarantee that no delivery or service fee will be charged to the EBT NAP participant's benefits card. If a retailer decides to charge for these additional services, the participants will have to cover these additional charges from a **Non-EBT** NAP benefits source.

### **Monitoring Reviews of the NAP-OLP**

The ADSEF will assign the monitoring reviews of the NAP-OLP project to the Office of Inspection and Certifications (OIC). This division will assign 2

monitors and additional DIP Investigators to guarantee that the retailers comply with the federal and state regulations. The OIC will request EVERTEC monthly activity reports which will be evaluated to ensure compliance.

## 15. BUDGET

Please refer to Attached Excel Documents for the following Budgets:

Budget NAP FY 2021 (Excel )

Budget NAP Operational FY2021 (Excel)

Budget EBT FY 2021 (Excel)

Budget SAIC FY 2021 (Excel)

Budget Nutritional Program (Excel)

## 16. Reviews/ Reports for FY 2021

SUBJECT	MEASUREME NT/ REVIEW	DUE DATE
<p><b>MER's Timeliness and Certification Report</b> Target of 95% of applications processed timely for emergency and regular benefits.</p> <p>Must include, root causes for the errors found; statistics; breakdown by region; corrective actions expected to be implemented to address trends.</p> <p>ADSEF will submit a corrective action plan to FNS if the Fiscal Year timeliness rate is less than 90%.</p>	Fiscal Year 2021	March 31, 2021
<b>Claims in Active Cases</b>	Fiscal Year 2021	June 1, 2021
<b>NAP Retailers reports on those that get disqualified and/or sanctioned</b>	Fiscal year 2021	Monthly
<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, 2021 September 19, 2021
<b>FNS 209 PR – Activities relating to recipient claims during the report quarter and the status of claims from previous reports</b>	Quarterly	February 6, 2021 May 7, 2021 August 6, 2021 November 6, 2021

SUBJECT	MEASUREMENT/ REVIEW	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)	01/29/21 02/28/21 04/02/21 05/01/21 05/29/21 06/29/21 07/30/21 08/29/21 09/28/21 10/29/21 11/29/21 12/31/21
Family Market Issuance and Redemption	Monthly FY 2021	First 15 days from each month
Family Market Issued and Spent	Monthly FY 2021	First 15 days from each month
FNS – 366A PR	Annual	08/15/2021
SF – 425 (FNS – 778 PR)	Quarterly	01/30/21 04/30/21 07/30/21 10/30/21 01/29/22
Other reviews/reports	As requested by FNS	As requested by FNS.

During FY 2021 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.

## 17. 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.

## 18. 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.

## **19. General Terms and Conditions**

The state agency agrees to:

- a. 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.
- b. Expend 100 percent of the block grant funds, excluding carryover funds, established in response to OMB, Program Assessment Rating Tool.
- c. Submit, on an annual basis, by July 1<sup>st</sup> of each year a State Plan of Operation for Nutrition Assistance Grant Funds.
- d. 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.
- e. Submit to FNS for approval, amendment requests for any part of the Plan of Operations that is mandated by statute or regulation.
- f. 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.

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

The Food and Nutrition Service Agrees to:

- a. Pay administrative costs in accordance with the Food Stamp Act of 1977, as amended, and with Federal Rules and Regulations (7 CFR, Part 285).
- b. 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 \_\_\_\_\_.**

---

**Orlando Lopez Belmonte**  
**Secretary**  
**Department of the Family**

---

**Alberto Fradera Vazquez**  
**Administrator**  
**ADSEF**

---

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