

Settlement Agreement

The Rhode Island Department of Human Services (“State”) and the United States Department of Agriculture (“USDA”), Food, Nutrition, and Consumer Services (“FNS”) agree, as stated in this settlement agreement (“Agreement”), to settle the Supplemental Nutrition Assistance Program (“SNAP”) disallowance claim (“Claim”) against the State as established pursuant to Sections 11(g) and 13 of the Food and Nutrition Act of 2008, as amended (“the Act”).

[1] Pursuant to Sections 11(g) and 13 of the Act, FNS established a Claim of \$805,197.00 against the State in a letter dated November 3, 2016, which disallowed costs related to contract amendments made without FNS approval. This Agreement is a compromise of disputed matters and any promises made pursuant to this Agreement are not to be construed as an admission of liability, wrongdoing or violation by the State or FNS. This Agreement represents an amicable resolution of this dispute that avoids unnecessary use of the State’s or FNS’ time and resources.

[2] The State agrees to invest a total of \$805,197.00 in Business Process Redesign (“BPR”) expertise and services to improve the effectiveness and efficiency of the delivery of State benefit programs, as approved by FNS.

[3] The State shall submit for FNS approval a proposed Investment Plan to FNS’s Northeast Regional Office within ninety (90) days of the effective date of this Agreement. The proposed Investment Plan shall include the State’s allocation of the \$805,197.00 in BPR services to improve the effectiveness and efficiency of the delivery of State benefit programs. The approved Investment Plan and any modifications, approved and signed by the State and FNS, to the plan are incorporated into this Agreement as an addendum to this Agreement.

[4] The State acknowledges that the \$805,197.00 investment for activities approved by FNS in the Investment Plan are not subject to Federal matching funds.

[5] Once the State completes an investment expenditure as part of the Investment Plan, the expenditure is final and not subject to any future adjustment due to subsequent changes in law. FNS shall not release the State from making an investment expenditure contained in the Investment Plan that is past due on the effective date of any such legislation.

[6] In the event that the State fails to make the expenditures necessary to comply in whole or in part with the terms of this Agreement, FNS shall collect from the State the unpaid cash payments or the amount of funds not timely invested according to the Investment Plan, by withholding such funds pursuant to Section 13(a)(1) of the Act from amounts that would otherwise be payable to the State.

[7] Any monies expended by the State towards BPR expertise and services to improve the effectiveness and efficiency of the delivery of State benefit programs that are in addition to, and exceed, the amount of \$805,197.00 may be subject to Federal matching funds in accordance with

applicable provisions of the Act and FNS regulations and procedures. For purposes of this Agreement, the State shall not transfer, or borrow, funds from existing SNAP operational activities to fund this Investment Plan.

[8] The State shall provide written reports as part of its semi-annual Corrective Action Plan updates (due May 1 and November 1 each year). These reports shall include a description for the preceding six months of the State's compliance with the terms of this Agreement, the expenditure of funds, and the outcomes derived from the State's investment into SNAP client service delivery and program integrity. Reporting shall continue until all activities and expenditures associated with this Agreement have been completed.

[9] This Agreement shall be in full and complete settlement and satisfaction of all claims, demands, and causes of action which have been or could have been asserted by the State against FNS or by FNS against the State, relating to the Claim.

[10] The State agrees to waive any right for an opportunity to pursue administrative appeal or judicial review of any portion of the Claim.

[11] This Agreement does not establish a precedent for any future actions by FNS concerning claims established under Sections 11(g) and 13 of the Act.

[12] This Agreement may not be introduced or referred to at any future proceeding, administrative or judicial, between the State and FNS except as may be necessary to enforce the terms of this Agreement or with the consent of the State and FNS.

[13] This Agreement and the incorporated Addendum(a) contain the entire Agreement between the State and FNS, are the product of negotiations and agreement between the parties and shall be fully binding on the State and FNS.

[14] This Agreement may be signed in separate counterparts and shall become effective only upon signature by the representatives of FNS and the State.

AGREED:

Date: 2/13/18



Administrator
Food, Nutrition, and Consumer Service
United States Department of Agriculture

Date: 1/23/18



Director
Department of Human Services
Rhode Island