



OCT 27 2017

**United States
Department of
Agriculture**

Food and
Nutrition
Service

Northeast Region

10 Causeway St.
Room 501
Boston, MA 02222

Courtney Hawkins, Director
RI Department of Human Services
Louis Pasteur Building
57 Howard Avenue
Cranston, RI 02920

Dear Director Hawkins:

I am writing in response to the Rhode Island (RI) Department of Human Services' (DHS) letter dated July 25, 2017 pertaining to \$805,197 in disallowed costs associated with its Unified Health Infrastructure Project. The Food and Nutrition Service (FNS) had previously indicated that it would permit the State to reinvest this amount in expertise and services to improve the effectiveness and efficiency of the delivery of State benefit programs, as approved by FNS and in accordance with the attached Settlement Agreement. In its July 25th letter, the State requested a reduction in the amount of the reinvestment from \$805,197 to \$150,000. FNS is unable to approve this request.

Please review the attached Settlement Agreement and contact me with any additional questions or concerns. As a reminder, the State's current good cause extension with the State Supplemental Nutrition Assistance Program Appeals Board expires November 7, 2017.

Sincerely,

For 

Bonnie Brathwaite, Director
Supplemental Nutrition Assistance Program
Northeast Region

cc: Iwona Ramian
Deborah Barclay

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”). Neither this Agreement nor any action taken pursuant to this Agreement shall be construed as an admission of liability by the State or FNS.

[1] Pursuant to Sections 11(g) and 13 of the Act, FNS has established a Claim of \$805,197.00 against the State.

[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 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 periodic reports as requested by FNS concerning 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.

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

AGREED:

Date: _____

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

Date: _____

Director
Department of Human Services
Rhode Island