



May 21, 2014

TO: Julie Wise, OMB Desk Officer
Office of Information and Regulatory Affairs
Office of Management and Budget

THROUGH: Ruth Brown, Desk Officer
United States Department of Agriculture
Office of Chief Information Office

FROM: Lynnette Thomas 
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Food and Nutrition Service

SUBJECT: Request for Emergency Clearance

The Nutrition Assistance Program (NAP) is a critical Federal Government assistance program provided to low-income residents of Puerto Rico. Since July 1982, Puerto Rico has operated NAP from Federal funds received as a block grant. Under the block grant, which allowed Puerto Rico considerable flexibility in designing NAP, Puerto Rico replaced food coupons with 100-percent cash benefits, simplified administration, reduced funding levels, and placed a cap on annual funding. In late 2001, Puerto Rico developed an electronic benefit transfer (EBT) system and mandated that 75 percent of a household's monthly benefit be restricted to the EBT system for purchasing eligible food items at certified retailers. The remaining 25 percent of the monthly benefit may be issued in the form of cash to allow participants with limited access to certified retailers a way to purchase food.

In early 2014, Congress reauthorized the Food and Nutrition Act of 2008 in the Agricultural Act of 2014 (P.L. 113-79), commonly known as the 2014 Farm Bill, which included a provision for the gradual discontinuation of the cash portion of the NAP benefit until, by FY 2021, no benefits in the form of cash will be issued (Section 4025, see Attachment E). The legislation also required a study of NAP cash benefits in Puerto Rico, including the history and purpose of the cash portion, barriers to redeeming the non-cash portion, and usage of cash benefits for the purchase of non-food items. Additionally, it also required an assessment of the potential adverse effects of discontinuing the cash portion for both participants and retailers, and allows the Secretary of Agriculture to exempt participants or categories of participants if the review

finds that the discontinuation of cash benefits is likely to have significant adverse effects. This study performs the required assessment of the cash portion of benefits received under NAP in Puerto Rico.

The Act requires that the study report be delivered to Congress in August 2015. To conduct the study and meet the statutory requirements and deadline, we are requesting emergency clearance to begin the data collection in October 2014.

If you have any questions or require any additional information, please contact me at Lynnette.Thomas@fns.usda.gov.