



United States  
Department of  
Agriculture

Food and  
Nutrition  
Service  
  
Western Region  
  
90 Seventh St.  
Suite 10-100  
San Francisco, CA  
94103

SNAP-10-4-NV

September 24, 2014

Mr. Romaine Gilliland, Director  
Department of Health and Human Services  
Capitol Complex  
4126 Technology Way, Room 100  
Carson City, Nevada 89706

Dear Director Gilliland:

As indicated in the Food and Nutrition Service's (FNS) correspondence on April 30, 2014, and July 3, 2014, and in our meeting on July 25, 2014, the Nevada Department of Health and Human Services (DHHS) has one of the lowest application processing timeliness (APT) rates in the country. Throughout FY 2013, Nevada's upper-bound timeliness rate has fluctuated between 78.79 and 82.31 according to FNS' six-month timeliness date. FNS' most recent six-month timeliness report (October 2013 – March 2014) shows Nevada making some improvements with an upper bound timeliness rate of 88.98 percent.

While 100 percent compliance with the 30-day and 7-day application processing standards has long been the stated requirement, FNS practice has been to consider 95 percent and above as acceptable performance. As indicated below, Nevada's annual timeliness rate has been well below 95 percent for the last 4 years.

	<b>FFY 2009</b>	<b>FFY 2010</b>	<b>FFY 2011</b>	<b>FFY 2012</b>
Application Timeliness	86.58%	81.48%	80.78%	81.96%
National Ranking	29	41	41	40

The State's sustained poor timeliness rate has created hardships for thousands of low-income households across the state and must be addressed. This letter serves as advance notification that DHHS may soon be subject to the suspension or disallowance of administrative funds, in accordance with 7 CFR 276.4(d)(1), if the State is unable to achieve the benchmarks set forth below.

A response to this advance notification, including a detailed corrective action plan, must be provided within 30 days of this letter. FNS expects the corrective action plan to include, at a minimum, a description of the deficiencies, analysis of the root cause(s) of the timeliness issues, identification of specific strategies to address the root cause(s), who will be responsible for implementing the corrective action strategies, and plans for monitoring and evaluating the effectiveness of the strategies. Additionally, if FNS is not satisfied with Nevada's corrective action plan, suspension or disallowance of administrative funds may occur as soon as 30 days after FNS reviews Nevada's corrective action plan.

As part of DHHS' corrective action plan, FNS expects to see measurable outputs that will help the State progress towards a 95 percent timeliness rate. In order to avoid a formal warning from FNS, the State must meet the following benchmarks:

- DHHS must show monthly progress with application processing timeliness, and achieve an application timeliness rate of 85 percent by the end of the six month period of October 2014 – March 2015.
- DHHS must achieve an application timeliness rate of 95 percent by the end of the six month period of April 2015 – September 2015.

Monitoring of the situation is critical. DHHS must provide FNS with monthly status reports by the 15<sup>th</sup> of the month for the prior month. The first monthly report is due October 15, 2014. Each report must include:

- The status of corrective action strategies;
- Data on application timeliness showing each month's application processing timeliness;
- The number of overdue pending applications at the end of each month by the length of time beyond the Federal processing requirements in 15 day increments;
- Application timeliness rates and overdue data should distinguish between expedited and regular applications, as well as a total.

If FNS timeliness data for the time periods listed above indicates that DHHS has failed to meet the required benchmarks to FNS' satisfaction, a formal warning letter will be issued in accordance with 7 CFR 276.4. DHHS would then have 30 days from receipt of the formal warning to submit additional evidence of compliance or a revised corrective action plan. If DHHS' response is inadequate, FNS can begin suspension of Federal funding for State administrative expenses.

FNS recognizes that the DHHS has undertaken several efforts aimed at improving agency performance. These include developing new automation, developing a document imaging system, engaging a consultant for business process improvement, and, more recently, obtaining authorization and funding for several hundred new eligibility worker positions. However, timely access to food assistance benefits for eligible low-income Nevadans should not be contingent upon completion of modernization initiatives. With the exception of the additional staffing, many of these efforts have been in progress for the last two to four years.

FNS has observed other states that, when faced with poor performance, employed modernization methods and were able to consistently meet FNS' expectations in a relatively short period of time. Since full implementation of the process and technical solutions employed to alleviate poor program performance is not yet complete, Nevada is not currently realizing the benefits of these efforts. FNS recommends Nevada conclude and fully implement business process improvements with an initial

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focus on providing timely benefits to its citizens through timely application processing.

FNS is committed to providing technical assistance to Nevada to improve its performance and serve its residents. Please contact Dennis Stewart at (415) 705-2333 or at [dennis.stewart@fns.usda.gov](mailto:dennis.stewart@fns.usda.gov) to discuss how he and his staff may be of assistance.

Sincerely,

A handwritten signature in blue ink that reads "Jesus Mendoza, Jr."

Jesus Mendoza, Jr.  
Regional Administrator  
Western Region

cc: Michael McMahon, Administrator, DWSS