

CORONAVIRUS STATE FISCAL RECOVERY FUND



Vaccination Incentive Program

Program Guidelines

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GOVERNMENT OF PUERTO RICO



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Program Overview

Background

Since March of 2020, Puerto Rico, like most jurisdictions in the United States and countries around the world, has experienced an unprecedented emergency caused by the Coronavirus Disease 2019 (“COVID-19”) pandemic. To slow the spread of the disease and ensure stability of its healthcare system, the Government of Puerto Rico has implemented measures to address the emergency. On March 12, 2020, the Government of Puerto Rico issued Administrative Bulletin OE-2020-020 through which formally declared a state of emergency due to the imminent impact of the coronavirus in Puerto Rico.

During the state of emergency, Puerto Rico suffered great loss of life and severe economic hardships which have impacted a Commonwealth still reeling from natural disaster. Puerto Rico lost over 2,500 citizens, tourism dwindled with hotel registrations falling 95% from February to April 2020, and 460,000 residents of Puerto Rico experienced unemployment, twice the previous number of unemployed individuals. Despite these hardships, Puerto Rico persevered, and with over 2,600,000 doses of COVID-19 vaccines administered, Puerto Rico is positioned to emerge from the COVID-19 pandemic.

To help Puerto Rico emerge from the COVID-19 pandemic, Congress passed the American Rescue Plan Act of 2021 (“ARP Act”), and the President signed it into law on March 11, 2021. To assist state governments with addressing the lingering public health emergency while targeting areas and industries in needs of economic development, the ARP Act established the Coronavirus State and Local Fiscal Recovery Fund, which provides \$350 billion in direct assistance to states, territories, counties, metropolitan cities, tribal governments, and non-entitlement units of local governments. As part of the Coronavirus State and Local Fiscal Recovery Fund, Puerto Rico received \$2.47 billion under the Coronavirus State Fiscal Recovery Fund (“CSFRF”).

To ensure the expeditious processing of apportioned funds from the CARES Act, the Government of Puerto Rico established the Disbursement Oversight Committee, consisting of the Secretary of the Department of the Treasury, the Director of the Office of Management and Budget (OGP), and the Executive Director of the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAF). The Committee was created on May 15, 2020, by means of Executive Order No. 2020-040, and on May 7, 2021, by means of Executive Order No. 2021-034, the Governor of Puerto Rico extended the Committee’s oversight to include CSFRF.

Program Description

On June 7, 2021, Governor Pedro R. Pierluisi announced the Vaccination Incentive program (Program), which makes up to \$10 million in immediate CSFRF funds available for incentives to reward previously vaccinated individuals and promote continuing vaccination efforts.

COVID-19 vaccinations are clinically proven to be safe and effective in combatting the effects of COVID-19, and only through its vaccination efforts will Puerto Rico be able to return to normalcy. According to the Centers for Disease Control and Prevention (CDC), as of August 6, 2021, Puerto Rico had administered over 3.9 million doses of COVID-19 vaccines representing 60.2% of its population as fully vaccinated.

The Department of Health’s vaccination initiatives began between July 8-10 2021, in hundreds of vaccination sites around the island after a coordinated digital and billboard advertising campaign. Daily vaccination rates in Puerto Rico had fallen to between 2,000-3,000 people per day, and down from 10,000

Per day for March and April. According to DOH, during their first round of vaccination initiatives, over 29,000 vaccine doses were administered.

Due to the unprecedented effects of COVID-19 in the world, where new variants have been discovered, it is necessary to expand the Vaccination Incentives Program to include Contact Tracing and Testing to ensure that our government has all necessary resources address COVID-19 properly.

As the COVID-19 crisis continues to unfold, and health concerns remains it is necessary to extend the Vaccination Incentive Program to include the telemedicine and the technological equipment needed to continue the efforts to prevent and mitigate the pandemic effects.

Disbursement of Program funds will be subject to the strictest standards to ensure compliance with federal regulations and best practices. Therefore, each request for disbursement will be duly documented and subject to control and audit.

Points of Contact

The Program will be administered by the Coronavirus Relief Fund Disbursement Oversight Committee (Committee) in conjunction with the Puerto Rico Department of Treasury (Hacienda), the Puerto Rico Department of Health (“Salud”), and AAFAF.

Eligibility Criteria

Eligible Recipients must meet all the following criteria:

- Be the Department of Health for Contact Tracing and Testing purposes
- Be fully vaccinated against COVID-19 as verified by their CDC issued card or plan to get vaccinated
- Commit to abide by the Program’s terms and conditions
and
- Agree to return the Program funds, if it is determined that they did not comply with any of the Program eligibility requirements, or if the Program funds were not spent on eligible expenses by December 31, 2024

Allowable Expenditures

Allowable incentives to reward previously vaccinated individuals and promote continuing vaccination efforts included, but are not limited to:

- Cash on in-kind transfers, lottery programs, or other incentives
- Expenses related to COVID-19 vaccination programs and sites, including staffing, acquisition of equipment and supplies, facilities costs, and information technology or other administrative expenses
- Programs that provide incentives reasonably expected to increase the number of people who choose to get vaccinated
- Cultural experiences for vaccinated individuals including concerts and art exhibits
- On-site vaccination clinics at events that offer free admission after vaccination
- Vaccination incentive programs would be considered an eligible expense under the CSFRF so long as:

- they are reasonably expected to increase the number of people who choose to get vaccinated or motivate people to get vaccinated sooner than they would otherwise have; and
- the costs are reasonably proportional to the expected public health benefit
- Costs associated with Contact tracing and testing
- Telemedicine and technological equipment related to the COVID-19 response

For further guidance please refer to the [Guidance](#) published by the U.S. Treasury and the [Frequently Asked Questions](#).

Other CSFRF Programs

In addition to the Program detailed above, the Governor allocated funds for additional programs to address the public health emergency, ensure continuity of government services, address negative economic impact, provide premium pay, invest in water, sewer, and broadband infrastructure, and provide for the provision of government services (up to lost revenue). Please visit <https://www.aafaf.pr.gov/coronavirus-state-and-local-fiscal-recovery-funds/> for additional information about these programs.

Ineligible Expenditures

Ineligible expenses will be determined by the Committee, the U.S. Department of the Treasury, the Office of Inspector General (OIG), and other regulatory bodies, and under this award include, but are not limited to:

- Necessary expenses that have been covered or reimbursed, or that will be covered in the future, by other state or federal programs, including funds received through the CARES Act or form FEMA
- Deposits into any pension funds
- Offsetting a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax
- Executive bonuses, debt refinancing, or other expenses that are determined to be unnecessary for continued operations in the COVID-19 environment
- Expenses not explicitly included in these guidelines

For further guidance please refer to the [Guidance](#) published by the U.S. Treasury and the [Frequently Asked Questions](#).

Process Overview

The following is intended to outline the process by which funds from the CSFRF will be distributed under the Program.

June 7, 2021	Program Announced
Starting July 8, 2021	Incentives Announced
Funds Depleted	Program Close

Incentive and COVID-19 Testing Announcement

On a rolling basis, the Program will announce additional vaccination incentives and/or COVID-19 testing sites for eligible individuals.

Evaluation

Award recipients will certify eligibility with the terms and conditions of the Program as a prerequisite to award receipt.

The Disbursement Oversight Committee will approve award decisions.

Award and Funding

Funding will be awarded to the Department of Health for vaccination incentives and COVID-19 testing sites and activities to be announced.

Compliance

Any government entity receiving funds must adhere to the Uniform Guidance, 2 C.F.R § 200 (“Uniform Guidance”). This Uniform Guidance outlines the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”. Recipients and their personnel are responsible for reviewing, understanding, and applying the complete underlying legislation and guiding documents. For complete details on 2 CFR 200, visit the Electronic Code of Federal Regulations at https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl. Topics included in the Uniform Guidance include, but are not limited to:

- Procurement standards and requirements
- Contract cost and price principles
- Bonding requirements
- Document retention and auditing provisions

Any government and non-government entity receiving Program funds will be required to retain use of funds records and supporting documentation for a period of five (5) years. Furthermore, by accepting CSFRF funds, government and non-government entities are required to certify proper and legal use of the funds and agrees to cooperate in any audit proceedings requested by the Government of Puerto Rico or other governing entity responsible for the compliant use of Program funds.

Reporting Requirements

On an annual basis, the Government of Puerto Rico is required to submit a performance report detailing the progress and impact of the use of CSFRF funds. This Recovery Plan Performance Report will include descriptions of the projects funded and information on the performance indicators and objectives of each award, helping residents understand how their governments are using the substantial resources provided by Coronavirus State and Local Fiscal Recovery Funds program.

The key output performance indicators for this Program include:

- Amount disbursed
- Month over month change in the number of vaccinated individuals
- Month over month testing rounds funded

The key outcome performance indicators for this Program include:

- Decreased COVID infection rate
- Decreased COVID-related hospitalizations

- Decreased COVID-related deaths

To ensure timely reporting, the Government of Puerto Rico requires the Lead Agencies to adhere to the following reporting frequency:

- On a weekly basis, the Puerto Rico Department of Treasury will provide a summary of all program disbursements to date.
- On a monthly basis, the Department of Health will report the month over month change in the number of vaccinated individuals and testing rounds.

To ensure timely reporting, the Government of Puerto Rico requires the Department of Health to adhere to the following reporting frequency:

- On a bi-weekly basis, the Department of Health shall submit financial reports detailing use of funds until full expenses are evidenced.

As reporting needs may change over time, the Program reserves the right to request additional data from the Lead Agency or Recipients at any time.