

### SNAP Restaurant Meals Program and Minimum Benefits the Vermont Way: Clarifications Regarding the Provisions of S.215

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Chair Lyons and Members of the Senate Committee on Health & Welfare,

In this memo, Hunger Free Vermont seeks to provide clarification regarding the provisions of S.215, and to address several questions related to the SNAP Restaurant Meals Program, and to the changes to 3SquaresVT minimum benefit amounts that have been raised by members of the Committee during recent hearings on S.215.

# S.215 directs the Agency of Human Services to design a SNAP Restaurant Meals Program that aligns with Vermont values.

Under the federal SNAP Restaurant Meals Program rules, states may develop their own eligibility criteria for participating restaurants. S.215 would direct the Agency of Human Services and the Agency of Commerce and Community Development to work together to develop these eligibility criteria, and would require that the eligibility criteria advance these goals:

- Having locally produced food be widely available in Vermont's Restaurant Meals Program.
- Including restaurants that serve food representing diverse cultural traditions.
- Ensuring geographic diversity of participating restaurants, to ensure that eligible 3SquaresVT participants are able to use Vermont's Restaurant Meals Program in their nearby communities.

### S.215 ensures that local Vermont restaurants, food trucks, and delis will be prioritized for participation in the SNAP Restaurant Meals Program by creating a navigator position to provide technical assistance and support.

Hunger Free Vermont has conducted interviews with multiple states that have implemented the SNAP Restaurant Meals Program<sup>1</sup> and the key thing they all told us was that if the state wants a variety of restaurants to participate, it is essential to provide technical assistance for restaurants to apply to the federal program and to get the needed point of sale equipment.

While in states (like Arizona and Rhode Island) that implemented the SNAP Restaurant Meals Program without hiring a navigator, national chain restaurants predominate in their programs, states like Massachusetts show that when technical assistance and support through the application process is provided, the program can operate effectively and efficiently for both SNAP participants and restaurants.<sup>2</sup> The Massachusetts SNAP Restaurant Meals Program has prioritized enrolling

<sup>&</sup>lt;sup>1</sup> For a complete list of states with a Restaurant Meals Program: <u>https://www.fns.usda.gov/snap/retailer/restaurant-meals-program</u>. <sup>2</sup> For more details about the Massachusetts Restaurant Meals Program:

https://www.mass.gov/massachusetts-snap-restaurant-meals-program-rmp.

restaurants and food trucks that are locally and women and/or minority-owned businesses, and that serve a wide range of cultural cuisines<sup>3</sup>

### The "Cash Out" option is available only to certain 3SquaresVT households:

For most participants, monthly 3SquaresVT benefits are issued on an EBT card. For an extremely select group of participants, monthly benefits are issued as a Cash Out benefit. This option is <u>only</u> available when all members of the 3SquaresVT household are 65 or older, and/or receive SSI. Most Cash Out households are people who are households of one person. Around 17,000 people who participate in 3SquaresVT receive a Cash Out benefit, which is roughly 25% of the total number of 3SquaresVT participants.<sup>4</sup>

The Cash Out option is not available for thousands of 3SquaresVT participants who would be eligible for the Restaurant Meals Program. This includes most of the approximately 3,300 people who are unhoused or do not have permanent housing<sup>5</sup>; participants who are between 60 and 65; participants who are spouses of people who qualify under Restaurant Meals Program eligibility; and people who are disabled but don't qualify for a Cash Out benefit.

The only state cost associated with implementing the Restaurant Meals Program is funding for the navigator position. This is a common sense option for Vermont to adopt, especially with an aging population of Vermonters at risk of social isolation, and a population of unhoused community members who cannot store food and cook meals of their own.

# S.215 directs DCF to write a transition plan focusing on a specific segment of 3SquaresVT households that receive such low monthly benefits that they do not serve to mitigate hunger or support food security.

For many participants, the 3SquaresVT benefits they receive each month is their entire grocery budget; however, the program is designed to be a supplement to a monthly grocery budget. The current federal calculation of a minimum benefit, which is only guaranteed for household sizes of 1 and 2, is based on 8% of the Thrifty Cost Food Plan<sup>6</sup>, which results in a monthly benefit of \$23. That is not a meaningful supplement to the monthly grocery budget for anyone, and households of 3 or more may receive a benefit as low as \$1.

Offering a state-funded minimum benefit based on 30% of the Moderate Cost Food Plan would be a meaningful supplement to the grocery budgets of eligible participants. This plan would impact a limited number of participants who receive very low monthly benefits. These are people who are not receiving a meaningful grocery supplement—including older adults and working families with children. We estimate that, of the 40,000 households enrolled in 3SquaresVT, approximately 7,500 households would benefit from this proposal—representing around 7,600 people.<sup>7</sup> Based on Hunger Free Vermont's preliminary calculations, raising these 7,500 households to 30% of USDA's "Moderate Cost Food Plan" (about \$100 per month depending on the number of people in the household) would cost \$4-6 million dollars annually. The purpose of the transition plan proposed in S.215 would be to gain data the legislature would need to make an informed policy choice regarding how to improve food security for older Vermonters, people with disabilities, and people who are unhoused.

<sup>&</sup>lt;sup>3</sup> "Eligible businesses in this pilot phase of the program include restaurants and food trucks that are local and privately-owned and provide counter-based service and payment. Of the selected local businesses, 77% are women-owned and 90% have owners who identify as Black, Asian and/or Hispanic/Latinx. The average meal price is \$11."

https://www.mass.gov/news/healey-driscoll-administration-announces-first-restaurants-and-food-trucks-to-participate-in-snap-restaura nt-meals-program-pilot.

<sup>&</sup>lt;sup>4</sup> 3SquaresVT and Cash-Out Participation and Issuance Data from February 2024, produced by Economic Services Division, Process and Performance Unit. <u>https://outside.vermont.gov/dept/DCF/Shared%20Documents/ESD/Reports/3SqVT-Participation-Report.pdf</u>.

<sup>&</sup>lt;sup>5</sup> U.S. Department of Housing and Urban Development (HUD) 2023 homelessness estimates for the State of Vermont

<sup>&</sup>lt;sup>6</sup> Section 8(a) of the Food and Nutrition Act, codified at 7 U.S.C. 2017(a)

<sup>&</sup>lt;sup>7</sup> Estimates based on demographic and benefit issuance data produced by Economic Services Division at the request of Hunger Free Vermont.

8 states have already enacted a state-supplemented minimum benefit or have active legislation to do so. Each state has their own methodology for determining that state supplement. While the methodology outlined in S.215 for DCF to explore is unique, the concept of a state-supplemented minimum benefit is by no means unique to Vermont.

It is important to underscore that the aspect of S. 215 focused on a state-supplemented minimum benefit amount is a no-cost proposal, because it simply directs the Department for Children and Families to produce a transition plan, which is critical to getting an accurate and data-informed cost estimate.

Using 30% of USDA's "Moderate Cost Food Plan" as a state minimum benefit level for 3SquaresVT households would make the lowest 3SquaresVT benefit a meaningful "supplement" that would actually help eligible households meet their monthly food needs.

Vermont's Joint Fiscal Office (JFO) has used USDA's "Moderate Cost Food Plan" as the basis for calculating the food portion of a Vermont Basic Needs Budget since 2007. Aligning state-administered benefit programs with the accepted methodology for calculating what people need to meet their basic needs in our state makes sense. USDA's Moderate Cost Food Plan for a single adult household is \$352.40 per month.<sup>8</sup> 30% would yield a minimum 3SquaresVT monthly food benefit for a single adult of \$105.72.

<sup>&</sup>lt;sup>8</sup> Vermont 2022 Basic Needs Budget and Livable Wage Report, food calculation methodology, p. 23 (https://ljfo.vermont.gov/assets/Subjects/Basic-Needs-Budgets/8924c89cea/2022-Basic-Needs-Budget-and-Livable-Wage-report-FINA L-1-17-2023.pdf). The USDA Thrifty Food Plan for a single adult household is \$291.90 (https://www.fns.usda.gov/cnpp/thrifty-food-plan-2021).