

To: Senator Lyons, Chair, Senate Health and Welfare Committee
From: Leslie Wisdom, Food & Nutrition Program Director
Date: February 5, 2024
Re: S.215 Restaurant Meals Program

Thank you for the opportunity to provide information about Vermont's SNAP program, known in Vermont as 3SquaresVT, and information about the federal option to offer a Restaurant Meals Program for eligible 3SquaresVT participants. As requested, I am providing this memo as a summary of my testimony.

Since around 2004, states have been required to use EBT (electronic benefit transfer) cards to provide SNAP recipients with SNAP food benefits. EBT cards work just like a debit card and food benefits are coded on the card to work to purchase only SNAP eligible foods at participating EBT retailers and farmers markets. For a list of SNAP eligible food items for purchase please see <https://www.fns.usda.gov/snap/eligible-food-items>

Vermont is unique in that it is only one of five states that has the authority to issue SNAP benefits as cash to certain households. Vermont has had this waiver since at least the early 1990s. The federal Food and Nutrition Act codified the ability of the SNAP Cash Payment Pilot Projects to continue only in those states with waivers already in place: Minnesota, Ohio, Oregon, Utah and Vermont.

Through the 3SquaresVT cash out option, benefits are directly deposited into a household's checking or savings account, sent via a paper check, or loaded onto an EBT card as cash, which can be withdrawn as cash and used anywhere. It is the household's choice how they receive the cash-out benefit. The cash out population is limited only to households where all household members are 65 or older and/or receive SSI (little to no income/resources and are disabled or blind). 3SquaresVT households are determined to be cash out when they apply and all household members meet these criteria or, households are converted to cash out automatically when they age in and meet the criteria. Currently, 42% of 3SquaresVT households receive their benefits as cash (16,697 households out of a total of 39,869).

Vermont pursued the cash-out option to help de-stigmatize and provide greater access to the program. Receiving these benefits as cash means that households can spend these benefits anywhere using their normal debit card or cash to make purchases. Because these benefits are issued as cash, cash out households can already use their benefits to purchase restaurant meals and hot/prepared foods.



To further improve access to the program, Vermont launched the 3SquaresVT in a SNAP (3SNSAP) demonstration project in October 2020. This is another tool we are using to promote the accessibility and ease of signing up for the 3SVT program for older Vermonters and those with disabilities. 3SNAP benefits are the same as 3SquaresVT benefits, but this program offers a shorter, easier application form, longer certification period (three years), no periodic reporting requirements and no interview requirement at recertification. 3SNAP is available to households where all members are at least 60 and/or disabled and have no earned income. 3SNSAP and cash-out work together to help increase access and participation in the 3SquaresVT program while also providing households with the freedom to choose how and where they spend their benefits.

The SNAP restaurant meals program (RMP) is a state option. Currently nine states have RMPs: Arizona, California, Illinois, Maryland, Massachusetts, Michigan, New York, Rhode Island and Virginia. These RMP states don't have the cash-out option that Vermont does for SNAP benefits. The goal of the RMP is to support populations that typically encounter access barriers and challenges with being able to purchase, store and prepare foods. It provides nutritious meal options for eligible SNAP recipients who may not be able to cook for themselves. The RMP is limited to SNAP households with all household members over 60, disabled or homeless. The RMP allows eligible SNAP households to purchase from approved and participating restaurants that offer reduced-price RMP meal options. Participating restaurants have to be approved by the state and also have to apply to the federal government and be authorized as an RMP establishment, obtain an EBT card processing machine for transactions and receive training. States that offer the RMP also work with their EBT card vendor to create a new type of RMP benefit that allows RMP participating restaurants to approve purchases. Adding this new type of RMP benefit code to Vermont's EBT cards would be an additional cost and contract amendment with EBT card processing vendor. Vermont's eligibility system would likely also require some kind of coding or enhancement to be able to identify households eligible for the RMP. Vermont eligibility staff would also need to receive training to properly code households eligible for the RMP benefit.

During testimony, the committee asked how many Vermonters are receiving 3SquaresVT are currently experiencing homelessness and do not qualify for the cash-out option in Vermont. That number is 2,604 households.

The committee also asked about the concessional pricing requirement for participating RMP restaurants. Restaurants have some flexibility in choosing how best their businesses can meet the requirements of offering a reduced-price meal option. However, one condition of participation in the RMP is that the reduced-price meal option cannot be made exclusively just for SNAP customers. Some examples of how a restaurant can meet the reduced-price meal requirement include:

- Consistently offering a reduced-price meal (examples are a separate low-cost menu or daily lunch special)
- Offering a rewards program (example a free meal after a certain number of purchases) or
- Reducing all menu items by a flat percentage

The contract between the participating restaurant and the state must specify how the restaurant will meet the concessional pricing requirement.