



Restaurant Meals Program Implementation Analysis by the Supplemental Nutrition Assistance Program

Agency of Human Services
Department for Children and Families

Submitted To:

House Committee on Human Services
Senate Committee on Health and Welfare

Submitted By:

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Introduction

The Department for Children and Families (DCF) submits this report for the Restaurant Meals Program Resources Analysis pursuant to [section 7a. of Act 143 \(2024\)](#). Act 143 requires DCF to submit a report to House Human Services Committee and to the Senate Health and Welfare Committee addressing the resources needed to enable Vermont to implement the Supplemental Nutrition Assistance Program's Restaurant Meals Program.

Background Information about the SNAP Restaurant Meals Program

The Supplemental Nutrition Assistance Program (SNAP), known in Vermont as 3SquaresVT, is a federal nutrition program administered by states in partnership with the United States Department of Agriculture's Food and Nutrition Service Office (FNS). Annually, states submit a state plan of operations to FNS detailing how each state operates the SNAP program. Part of the state plan submission includes a selection of options. The Restaurant Meals Program (RMP) is one of those state options. States that elect this option submit an additional state plan that details how the state's program meets the needs of households experiencing homelessness and households with individuals who are elderly or living with a disability. The plan also details the geographic areas covered to serve the needs. Finally, the plan describes how it will choose restaurants to meet the needs of eligible households.

Currently nine states operate RMPs: Arizona, California, Illinois, Maryland, Massachusetts, Michigan, New York, Rhode Island and Virginia. The goal of RMP is to support populations that encounter access barriers and challenges with being able to purchase, store, and prepare foods. It provides meal options for eligible SNAP households who may not be able to cook for themselves. Eligibility for the RMP is households:

- experiencing homelessness,
- with all members 60 years of age or older, or
- with all members disabled

The RMP allows these 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 FNS to be an authorized RMP establishment, obtain an EBT card processing machine for transactions and receive training from FNS.

Restaurants interested in participating in RMP submit applications to the state SNAP agency based on eligibility criteria determined by the state. The state and the

participating restaurant enter into an agreement and the restaurant applies to FNS to be an approved RMP location. Per federal rules, only restaurant facilities are eligible to apply to participate in RMP. Grocery stores, delis and markets that already accept EBT are not eligible to participate in RMP. Restaurants are defined as having more than 50 percent of their total gross sales in:

- foods cooked or heated on-site by the retailer before or after purchase and
- hot and/or cold prepared foods not intended for home preparation or consumption, including prepared foods that are consumed on the premises or sold for carryout

Restaurants that participate in RMP are required to offer concessional pricing and have some flexibility in how they approach that. The concessional pricing must be offered to all customers, not just SNAP households. Some examples of how a restaurant can meet the concessional pricing requirement include:

- consistently offering a reduced-price meal (such as a 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 during certain hours

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

In the states that currently offer RMP, there is a wide variety of restaurants participating in the program. In Arizona, many fast-food restaurants participate in the program including McDonald's, Wendy's, Taco Bell and Burger King. In Massachusetts, the state has limited access to RMP to restaurants that:

- are locally and privately owned,
- not part of a restaurant conglomerate or multi-unit chain (including franchises); and
- provide counter-based service and payment.

Each state determines the criteria for restaurant eligibility participation in RMP.

3SquaresVT Program Background

The State of Vermont is one of only five states that has the authority to issue SNAP benefits as cash to certain households where all members are:

- 65 years old or older and/or
- receive Supplemental Security Income (which means the household has little to no income or resources and individuals are disabled or blind)

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. The household decides how they receive the SNAP cash benefit. Currently 43 percent of Vermont's 3SquaresVT caseload receives their benefits as cash (16,823 out of 39,112 households).

Vermont pursued the cash-out option to help de-stigmatize and provide greater access to the program. Receiving 3SquaresVT benefits as cash means that households can spend these benefits anywhere using their normal debit card or cash to make purchases, including at restaurants or to purchase hot/prepared foods.

The RMP program and Vermont's cash out program differ slightly in their eligibility criteria:

- Age: RMP is for households 60 years old or older and cash out is 65 years or older
- Homelessness: the cash out program rules do not include households experiencing homelessness, while RMP does.

Because Vermont has the cash out program option (16,823 households), the Department opposed [S.215 \(2024\)](#) last year, which would have required DCF to implement RMP in Vermont. The Department also provided testimony and written responses to the Senate Health and Welfare Committee (Supporting document [A](#) and [B](#)). A data report last March showed that Vermont had approximately 2,600 households experiencing homelessness who were not eligible for the cash out program. These households plus the households who are in the age group between 60 and 64 and who are not on cash out would also benefit from RMP (approximately 2,575 households). The Department further opposed the bill because of the additional position and resources needed to implement the program.

Resources Required to Implement RMP in Vermont

To implement RMP in Vermont, the Economic Services Division's Food and Nutrition team would require a new position. This is one full-time pay grade 26 position, estimated total annual cost is \$125,082 including fringe (\$62,541 general fund). All administrative costs to operate the SNAP program, including the RMP, are 50 percent federal and 50 percent general fund. One new position is needed to administer this year-round program to:

- draft and administer the annual state plan,
- issue requests for proposals for participating restaurants, evaluate submissions and choose participating restaurants,

- conduct outreach to restaurants in Vermont to ensure geographic coverage of this program to support eligible households,
- work with approved restaurants in providing technical assistance for their applications to FNS to become approved RMP participants,
- provide ongoing technical assistance to participating restaurants,
- provide periodic program reports to FNS as required by the state plan,
- work with the DCF business office on periodic financial reporting to FNS,
- work with the DCF business office's grants and contracts unit on annual agreements with participating restaurants,
- regularly monitor and conduct site visits at participating restaurants to ensure compliance with the program,
- work with the state's EBT (electronic benefit transfer) vendor to create new RMP programming that will allow eligible Vermont RMP households to use their EBT card to make meals purchases at participating restaurants,
- work with the Agency of Digital Services to ensure eligible 3SquaresVT households are correctly coded in our eligibility system as eligible for RMP,
- draft policy governing the administration of RMP,
- create informational materials and website,
- draft notices to eligible households informing them of their eligibility for the program,
- educate 3SquaresVT customers about the RMP program,
- train Economic Services Division staff about the new RMP program so that they can assist customers with questions about the program, including eligibility and participating locations,
- keep all RMP program policies, materials and other information up to date on an ongoing basis,
- participate in fair hearings related to RMP.

The State of Vermont would also be required to amend the current contract with its EBT (electronic benefits transfer) card processing company to enable the Restaurant Meals Program option for eligible Vermont EBT cardholders. The Department obtained an estimate of the costs for an amendment to inform this report. The costs to implement include programming costs to enable the RMP indicator for eligible households, which would allow these households to swipe their EBT cards at participating restaurants. The company quoted the following amounts to implement the RMP option in Vermont:

- \$105,192 implementation fee to complete the necessary programming
- \$682.40 monthly operations fee.

Additionally, participating restaurants would be required to purchase their own equipment to process EBT card transactions or have their third-party processing company add SNAP to their existing terminal to be able to accept EBT cards at the point of purchase. These costs vary depending on whether the restaurant purchases the equipment (range is \$470 - \$2,200) or leases the equipment for a monthly lease fee amount of around \$20 per month. There are also per-transaction costs for each sale, with prices depending on the agreement with the third-party processing company.

Finally, the Department would incur costs to develop RMP informational materials, brochures, notices to eligible households and other similar administrative costs. All administrative costs associated with implementing RMP in Vermont (new position, contract amendment and other costs) would be split 50/50 between general funds and federal SNAP funds.