

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



May 21, 2004

ALL COUNTY INFORMATION NOTICE NO. I-31-04

TO: ALL COUNTY WELFARE DIRECTORS
ALL FOOD STAMP COORDINATORS**REASON FOR THIS TRANSMITTAL**

- State Law Change
 Federal Law or Regulation Change
 Court Order
 Clarification Requested by One or More Counties
 Initiated by CDSS

SUBJECT: FOOD STAMP PROGRAM RESTAURANT MEALS FOR THE
HOMELESS, ELDERLY, AND DISABLED

REFERENCE: 7 CFR 274.10, 7 CFR 274.12, 7 CFR 278.1

The purpose of this letter is to provide the counties with information regarding the option, as allowed in federal regulation, to implement a restaurant meals program that would enable homeless, disabled and elderly food stamp households to use food stamp benefits in order to purchase meals at participating restaurants. San Francisco County's pilot program has been in full operation since March 2003.

The attached State regulations were effective May 1, 2004. Any interested county can submit to the California Department of Social Services (CDSS) a proposal requesting approval to implement a restaurant meals program. The key component of the proposal will be the Memorandum of Understanding (MOU) to be used with participating restaurants detailing obligations of both the county and the restaurant. Such obligations for both parties have been itemized in an MOU in use by San Francisco County which is provided with this letter as a sample for your use.

General responsibilities for the county include:

- Certifying homeless, elderly and disabled recipients of food stamps as eligible to purchase low cost meals with food stamp benefits in restaurants which have entered into MOU's with the county for this purpose.
- Identifying households entitled to participate in the program for the use of food stamp benefits at authorized restaurants.
- Informing those recipients of the names and addresses of participating restaurants.

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The MOU must contain a requirement that the restaurant provide low cost or discount meals during regular hours to eligible homeless, elderly or disabled persons. Low cost meals are defined as meals that cost less than what would be charged to customers not using food stamp benefits. Discounted meals are defined as meals already offered to certain consumers or advertised special or sale priced meals offered to all consumers. On CDSS' approval of the county's draft MOU, the county must execute an MOU with each restaurant. The county must issue an identification card to each eligible recipient that has on it the person's name, case number, expiration date and signature.

Each restaurant must agree to abide by all rules and regulations of the U.S. Department of Agriculture (USDA) for food stamp acceptance and redemption. Any restaurant that wishes to enter into a contract with the county must submit to USDA an Application for Authorization to Participate in the Food Stamp Program for Communal Dining Facilities (FNS-252-22) and the restaurant must notify the county when it receives authorization of its application. Further information is available at www.fns.usda.gov/fsp/retailers.

A county must submit to CDSS a draft identification card for the eligible recipients of the restaurant meals program. Additionally a county must submit draft outreach information to advertise the restaurant meals program to the restaurant community and to the eligible recipient community including information on standards and availability. CDSS approval of a restaurant meals program will be contingent upon receiving all required information.

CDSS and the State Electronic Benefit Transfer Project are in the process of developing a unique identifier that will enable any participating restaurant to identify eligible recipients. When the statewide identifier is implemented later this year, counties will no longer need to issue county-specific identification cards.

San Francisco County has offered to share materials and provide information on this program and their experiences in its initiation and operation. Please contact Ylonda Calloway at (415) 558-4153.

If you have any questions, please contact Ellen O'Connor at (916) 653-5420.

Sincerely,

RICHTON YEE, Chief
Food Stamp Branch

Attachments

1) Amend Section 63-102(e)(2) et seq. to read:

63-102 Definitions (Continued)

63-102

(e) (Continued)

(2) "Eligible food" means: (Continued)

- (C) Meals prepared and delivered by an FNS authorized meal delivery service to households eligible to use ~~coupons~~ benefits for the purchase of delivered meals; or meals served by a communal dining facility for the elderly to households eligible to use ~~coupons~~ benefits for communal dining.
- (D) Meals prepared and served to households eligible to use ~~coupons~~ benefits to purchase those meals by a drug or alcoholic treatment and rehabilitation center which is authorized by FNS to accept ~~coupons~~ benefits in exchange for meals.
- (E) Meals prepared and served to eligible blind or disabled residents receiving benefits under Title II or Title XVI of the Social Security Act by a group living arrangement which is authorized to accept ~~coupons~~ benefits in exchange for meals.
- (F) (Continued)
- (G) Meals prepared for and served to homeless food stamp households by a public or private nonprofit establishment (e.g., soup kitchen or shelter), which has been authorized by the Food and Nutrition Service (FNS) to accept food stamp ~~coupons~~ benefits. This provision only applies to homeless food stamp households.
- (H) Meals purchased by eligible elderly, or homeless or disabled food stamp households under the provision of a CDSS-approved restaurant meal program.
 - 1. Counties shall only contract with individual restaurants that serve meals at concessional prices:
 - a. meals that cost less than that which would be charged to customers not using food stamp benefits, or
 - b. discounted meals already offered to certain consumers or advertised special or sale priced meals offered to all consumers.
 - 2. Restaurants must be authorized by FNS (by approval of the FNS-252-2 submitted by the restaurant) to accept food stamp benefits.

3. Before instituting a restaurant meals program, counties must first submit a written proposal to CDSS for review and approval. All county documents and definitions must reflect the requirements of federal and State regulations. The proposal must contain:
 - a. a draft identification card for eligible participants with the person's name, case number, expiration date and signature to be used in conjunction with the Golden State Advantage EBT card;
 - b. a draft publicity sheet to notify restaurants about the requirements of the restaurant meals program;
 - c. a draft publicity sheet for current homeless, elderly, and disabled recipients including information on requirements and availability;
 - d. a draft Memorandum of Understanding (MOU) detailing the obligations of the county to:
 - (i) issue an identification card to each eligible recipient;
 - (ii) inform those recipients of the names and addresses of participating restaurants; and
 - (iii) include signature blocks for persons authorized on behalf of the county and the restaurant.
 - e. a draft MOU detailing the obligations of the restaurant to:
 - (i) prohibit inclusion of a service gratuity in the price of the meal;
 - (ii) prohibit charging sales or meals tax;
 - (iii) prohibit sale of alcoholic beverages to participants; and
 - (iv) require posting of a sign notifying the public of the restaurant's participation in the program and including references to nondiscrimination statutes and regulations.
4. CDSS will review and notify the county of approval or denial of the proposal within 60 days of receipt of the county's draft material. If materials require modification, CDSS will define necessary corrections. On receipt of resubmitted materials, CDSS will make final approval or denial within 60 days.

HANDBOOK BEGINS HERE

5. Counties that choose to participate in the restaurant meals program must recognize that CDSS approval of their written proposal will be contingent upon the availability of State funds.

HANDBOOK ENDS HERE

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 10830, 11486.5 and 18930 through 18934, Welfare and Institutions Code; 8 U.S.C.A. Section 1522(e); 42 U.S.C.A. 601, et seq.; and 42 U.S.C.A. 5122; 7 CFR 272, 7 CFR 272.4(f); 7 CFR 273, 7 CFR 273.1(c)(5); 7 CFR 271.2; 7 CFR 273.2, .2(e)(3), .2(j), (j)(4), and (v)(2)(i)(B); 7 CFR 273.4(a)(3)(ii) and (iv), .4(c), (c)(2), (c)(3)(iv), and (e)(3)(iv); 7 CFR 273.5(a); 7 CFR 273.8; 7 CFR 273.9(c)(1)(ii)(D); and (c)(11)(i) and (ii); 7 CFR 273.11(a)(2)(iii); 7 CFR 273.12(c)(3); and .12(e); 7 CFR 273.16(c); 7 CFR 273.18(a)(1)(ii); 7 CFR 273.18(e)(3)(v), (e)(5)(v) and (n)(1)(i); 7 CFR 273.21(b); 7 CFR 274.3(a)(2); 7 CFR 274.10; 7 CFR 274.12; 7 CFR 278.1; 7 CFR 2710.2; 45 CFR 401; 45 CFR 400.62; Public Law (P.L.) 100-77, Section 802; (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) [Dock. No. CV-89-0768]); Section 66011, Education Code; P.L. 102-237, Section 902; 7 U.S.C. 2014(c)(2)(B) and (k)(2)(F); 7 U.S.C. 2022(b)(4); 8 U.S.C. 1631; U.S.D.A. Food and Nutrition Service Administrative Notices 94-39, 97-44, and 98-56; Hamilton v. Madigan (9th Cir. 1992) 961 F.2d 838; Food Stamp Act Section 6(k)(1); P.L. 104-193, Sections 272, 273, 805, 821, and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Federal Register Vol. 59, No. 224, dated November 22, 1994; Federal Register Vol. 65, No. 130, dated July 6, 2000 and Vol. 65, No. 149 Corrections, dated August 2, 2000, and Federal Register, Vol. 66, No. 229, dated November 28, 2001.

1) Amend Section 63-504.72 to read:

63-504 Household Certification and Continuing Eligibility (Continued)

63-504

.7 Identification (ID) Cards (Continued)

.72 Specially Marked ID Cards (Continued)

.723 Any household eligible to participate in the restaurant meal program shall receive an ID card with the person's name, case number, expiration date and signature.

HANDBOOK BEGINS HERE

(a) EBT counties are not to place stickers on EBT cards that could damage ATM/POS devices. A separate ID card will be used in conjunction with the EBT card.

HANDBOOK ENDS HERE

Authority Cited: Sections 10553, 10554, 10604, 11265.1, 11369, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 271.2; proposed 7 CFR 273.2(f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (f)(8)(i); (f)(8)(i)(A) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; (f)(8)(ii), (h), and (h)(1)(i)(D), 7 CFR 273.2(j)(3) and (4); 7 CFR 273.8(b); 7 CFR 273.9(d)(6)(iii)(F), 7 CFR 273.10(d)(4), (f), (g)(1)(i) and (ii); 7 CFR 273.12(a)(1)(i)(A), (a)(1)(i)(B), and (a)(1)(i)(C)(2); proposed 7 CFR 273.12(a)(1)(vi) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and (c); 7 CFR 273.12(e)(1), (e)(2), and (e)(4); 7 CFR 273.13(a)(2); 7 CFR 273.13(b)(1); 7 CFR 273.14; 7 CFR 273.14(b)(3) and (e); 7 CFR 273.18(e)(6)(ii); 7 CFR 273.21(e)(1), (f)(1)(iii), (f)(1)(iv)(B), (f)(2)(v), (h)(2)(iv), proposed (h)(2)(ix) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (h)(3)(ii), (i), (j), (j)(1)(vi), (j)(1)(vii)(A) and (r), (j)(2)(iii), (j)(3)(ii), (j)(3)(iii)(B), (j)(3)(iii)(C), and proposed (j)(3)(iii)(E) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 274.10; Public Law (P.L.) 100-435, Section 351, P.L. 101-624, and P.L. 103-66; Section 1717, [7 U.S.C. 2014(e)]; 7 U.S.C. 2014(d)(7) and 2017(c)(2)(B); U.S.D.A. Food and Consumer Services, Administrative Notices 94-39 and 97-50; P.L. 104-193, Sections 801, 807 and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Federal Administrative Notice 97-99, dated August 12, 1997; and United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) Administrative Notice (AN) 02-23, dated February 6, 2002; and USDA FNS AN 03-23, dated May 1, 2003.

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF HUMAN SERVICES**

AND

This Agreement is made on between hereinafter referred to as "the Restaurant," and the Department of Human Services in the City and County of San Francisco, hereinafter referred to as "the Department," in order to arrange for recipients of food stamp benefits who are also homeless, elderly, or disabled, to eat in the restaurant and pay for their meals using food stamp benefits.

In consideration of the patrons to be directed to the Restaurant by the Department, and the services to be furnished by the Restaurant, the parties hereto agree as follows:

1. Obligations of the Restaurant
 - a. Restaurant shall provide a low cost meal for breakfast, lunch and/or dinner during regular hours to eligible homeless, elderly or disabled persons. Low cost meals are defined as (i) meals that cost less than what would be charged to customers not using food stamp benefits or (ii) discounted meals already offered to certain consumers or advertised special or sale priced meals offered to all consumers.
 - b. Restaurant shall require proof of eligibility from patrons wishing to purchase meals with food stamp benefits. All patrons eligible under this Memorandum of Understanding (MOU) will have a Food Stamp Identification card. This card has the persons name, case number, expiration date and signature.
 - c. Restaurant shall provide meals to all eligible patrons under this MOU without regard to race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.
 - d. Restaurant shall collect payment from patrons eligible under this MOU in cash or by use of the Golden State Advantage EBT card. If a patron presents food stamp coupons, they may be accepted. For coupon transactions, only up to 99 cents may be given in cash change.
 - e. Restaurant shall post a sign in a manner and place prescribed by the Department informing the general public of the Restaurant's participation in this program.
 - f. Restaurant is not permitted to include a service gratuity in the cost of the low cost meals to be offered, nor is the Restaurant permitted to accept food stamp benefits as payment of a gratuity. Restaurant is further prohibited from charging a sales or meals tax to any eligible household who uses food stamp benefits to purchase a low cost meal.
 - g. Restaurant is not permitted to accept food stamp benefits for the purchase of alcoholic beverages.
 - h. Restaurant shall abide by the rules and regulations of the United States Department of Agriculture (USDA) regarding food stamp acceptance and redemption. After executing this MOU, Restaurant shall complete an Application

for Authorization to Participate in the Food Stamp Program for Communal Dining Facilities (Form FNS-252-22) with the USDA. Restaurant will notify the Department once such authorization is received.

2. Obligations of the Department

- a. The Department shall certify homeless, disabled, and elderly recipients of food stamp benefits as eligible to purchase low cost meals with food stamp benefits in the Restaurant's restaurant and in other restaurants with whom the Department has entered into MOUs for this purpose.
- b. The Department shall issue to each eligible food stamp recipient an identification card, as indicated in paragraph 1.b. above.
- c. The Department shall inform eligible recipients of the name and address of the Restaurant's restaurant and of the ability of the recipient to purchase low cost meals with food stamp benefits at the Restaurant's restaurant.

This MOU shall be effective from the date indicated above without limit; however, either party, without cause, may give written notice of its intent to terminate this MOU. Such written notice shall be provided at least thirty (30) days prior to the intended termination date. The failure of either party to comply with the terms of this MOU shall be grounds for an immediate termination of this MOU. Notice of an immediate termination by either party shall be by certified letter addressed to the appropriate contact

IN WITNESS WHEREOF, the parties hereto have executed this MOU on the day first mentioned above.

DEPARTMENT OF HUMAN SERVICES

RESTAURANT

Leo O'Farrell, Program Manager
Department of Human Services

Name of Restaurant

P. O. Box 7988
San Francisco, CA 94120-7988

Address

415 558-1157

City, State, ZIP

Telephone Number

Federal Employer Number

By

Name

Title