



Date: October 7, 2019

DMS Operations Memo 19-37

To: Income Maintenance Supervisors  
Income Maintenance Lead Workers  
Income Maintenance Staff

<b>Affected Programs:</b>	
<input checked="" type="checkbox"/> BadgerCare Plus	<input type="checkbox"/> Caretaker Supplement
<input checked="" type="checkbox"/> FoodShare	<input type="checkbox"/> FoodShare Employment and Training
<input type="checkbox"/> Medicaid	
<input type="checkbox"/> SeniorCare	

From: Rebecca McAtee, Bureau Director  
Bureau of Enrollment Policy and Systems  
Division of Medicaid Services

**Shelter and Utility Expense Updates**

**CROSS REFERENCE**

- Operations Memos [19-01](#)
- FoodShare Wisconsin Handbook, [Section 4.6.7 Shelter and Utility Deduction](#)
- Process Help, [Section 18.1 Shelter and Utilities](#) and [Section 10.3 Budgets](#)
- ACCESS Handbook, [Section 3.1.17 Your Housing Bills Questions](#)
- Medicaid Eligibility Handbook, [22.2.1 Overpayments](#)
- 7 CFR §273.2(f)(2)(i), 7 CFR §273.9(d)(6)(i), 7 CFR §273.9(d)(6)(ii), 7 CFR §273.10(e), 7 CFR §273.18(c)(1)(ii)
- Wis. Stat. §46.215(1)(k), Wis. Stat. §49.793

**EFFECTIVE DATE**

October 19, 2019

**PURPOSE**

This operations memo announces policy changes, related to shelter and utility expenses, to lower Wisconsin's quality control error rate and comply with federal requirements.

**BACKGROUND**

The federal Agriculture Improvement Act of 2018 includes a provision requiring states to simplify homeless housing cost deductions. Prior to this legislation, states had an option to apply a standard shelter deduction to the FoodShare budget for certain homeless households. With this legislation, states must apply this standard shelter deduction to certain homeless households.

[Operations Memo 19-01, "Air Conditioning Surcharges for FoodShare Utility Allowances"](#) established that air conditioning surcharges are an allowable expense for FoodShare based on clarification in policy from FNS. To support this policy, air conditioning surcharges will now be collected as expenses.

Renters insurance will also be collected as an expense.

## **POLICY**

When all members of a food unit are homeless and the household has a monetary or obligated shelter expenses, the assistance group will receive the greater of the Excess Shelter/Utility Costs or the homeless shelter deduction. The homeless shelter deduction is indexed to inflation and will potentially change with each new fiscal year at the time of the annual mass change (October). For federal fiscal year 2020 (starts October 1, 2019) the amount of the deduction will be \$152. The USDA Food and Nutrition Service (FNS) publishes the updated amount annually.

When manually calculating an overpayment claim or supplement, income maintenance workers will need to take into account whether the assistance group should be credited with the regular shelter deduction or the homeless shelter expense deduction. In calculating the claim, the homeless shelter expense deduction should only be included in the claim calculations for benefit issuance months beginning in October 2019.

Current FoodShare policy will be supported by collecting air conditioning surcharges separately from other expenses. Air conditioning surcharge expenses will be counted toward an assistance group receiving the Electric Utility Allowance (EUA) or Limited Utility Allowance (LUA). For the purpose of determining utility allowances, an air conditioning surcharge is treated the same as a non-heat electric utility expense. If an air conditioning surcharge and a non-heat electric utility expense are reported by a food unit without an additional utility expense (such as telephone or water), the only allowance available is the EUA. If a non-heat electric utility expense or an air conditioning surcharge (or both) is reported along with a non-electric utility expense, an LUA is available.

Renters insurance will also be collected separately from other expenses. Renters insurance is not allowed as an expense for FoodShare, but will continue to be counted for relevant Medicaid programs.

## **CONTACTS**

BEPS CARES Information and Problem Resolution Center

DHS/DMS/BEPS/CH