



Date: August 28, 2020

DMS Operations Memo 20-20

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

**Affected Programs:**

- |   |  |
|---|--|
| <input 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

**FoodShare Cost of Living Adjustments**

**CROSS REFERENCE**

- Operations Memo [19-35](#)
- FoodShare Wisconsin Handbook, [Section 8.1 Tables](#), [Section 4.3.3.8 Self-employment Expenses: Self-employed Child Care Provider](#), [Section 4.4.1.4 Disregarded Assets](#), and [Section 8.1.3 Deductions](#)
- 7 C.F.R. § 273.9(d)

**EFFECTIVE DATE**

October 1, 2020

**PURPOSE**

The purpose of this Operations Memo is to announce the FoodShare Cost of Living Adjustments (COLA), new Standard Utility Allowance (SUA), and federal standard deductions for meals provided by self-employed child care providers for federal fiscal year (FFY) 2021. FFY 2021 is October 1, 2020, through September 30, 2021.

**BACKGROUND**

Each year, the U.S. Department of Agriculture (USDA) Food and Nutrition Service announces adjustments to FoodShare COLA (income limits for eligibility, maximum allotments, and deduction amounts), standard utility allowances, and self-employed child care provider meal deductions. The USDA calculates maximum allotments for FoodShare, and states are required to adjust allotments on October 1 of each year based on the Food and Nutrition Act. FoodShare maximum allotment amounts will increase this year. Changes to FoodShare benefits resulting from the annual changes cannot be overturned in a fair hearing; however, members still have the right to request a fair hearing.

**POLICY*****FOODSHARE COST OF LIVING ADJUSTMENTS FOR FEDERAL FISCAL YEAR 2021***

Effective for October 1, 2020, eligibility determinations for FoodShare will apply the FFY 2021 COLA amounts, standard utility deductions, and self-employed child care provider meal deductions. CARES was updated on August 27, 2020 to reflect the new amounts. FoodShare redeterminations after August 27, 2020 that result in a change of benefits for October will cause a Notice of Decision to be sent to the member. The new amounts are listed in the tables below. These amounts will be added to [Section 8.1.1 Income Limits](#), [Section 8.1.2 Allotment for Monthly Net Income and FoodShare Group Size](#), and [Section 8.1.3 Deductions](#) of the FoodShare Wisconsin Handbook with the next handbook release.

***INCOME LIMIT AND ALLOTMENT AMOUNTS***

Monthly Income Limit and Allotment Amounts for FFY 2020					
Assistance Group Size	200% Federal Poverty Level (FPL) Gross Income Limit	165% FPL Gross Income Limit	130% FPL Gross Income Limit	100% FPL Net Income Limit	Maximum Allotment
1	\$2,128	\$1,755	\$1,383	\$1,064	\$204
2	\$2,874	\$2,371	\$1,868	\$1,437	\$374
3	\$3,620	\$2,987	\$2,353	\$1,810	\$535
4	\$4,368	\$3,603	\$2,839	\$2,184	\$680
5	\$5,114	\$4,219	\$3,324	\$2,557	\$807
6	\$5,860	\$4,835	\$3,809	\$2,930	\$969
7	\$6,608	\$5,451	\$4,295	\$3,304	\$1,071
8	\$7,354	\$6,067	\$4,780	\$3,677	\$1,224
9	\$8,102	\$6,683	\$5,266	\$4,051	\$1,377
10	\$8,850	\$7,299	\$5,752	\$4,425	\$1,530
11	\$9,598	\$7,915	\$6,238	\$4,799	\$1,683
12	\$10,346	\$8,531	\$6,724	\$5,173	\$1,836

***MINIMUM ALLOTMENT***

The minimum monthly FoodShare allotment for categorically eligible food units that include one or two people will remain \$16.

***MAXIMUM EXCESS SHELTER DEDUCTION***

The maximum excess shelter deduction will increase to \$586.

***HOMELESS SHELTER DEDUCTION***

The homeless shelter deduction will increase to \$157.

**STANDARD DEDUCTION**

The standard deduction is based on the size of an assistance group. This year, the standard deduction will remain the same for assistance groups with 1-3 people and will increase for all other assistance groups.

Standard Deduction for FFY 2020	
Assistance Group Size	Standard Deduction Amount
1-3	\$167
4	\$181
5	\$212
6 or more	\$243

**STANDARD UTILITY ALLOWANCES**

The Heating Standard Utility Allowance (HSUA) will increase to \$462. The Limited Utility Allowance (LUA) will increase to \$320. The Electric Utility Allowance (EUA) will remain the same. The Water and Sewer Allowance (WUA) will increase to \$90. The Cooking Fuel Utility Allowance (FUA) will increase to \$37. The Phone Utility Allowance (PUA) will decrease to \$29. The Trash Utility Allowance (TUA) will increase to \$23. Standard utility allowances for FFY 21 are listed in the following table.

SUAs for FFY 2020		
SUA Code	Amount	Type of Utility Allowance
<b>HSUA</b>	\$462	Heating
<b>LUA</b>	\$320	Non-heat electric with at least one other qualifying expense
<b>EUA</b>	\$141	Electric Utility Allowance
<b>WUA</b>	\$90	Water and Sewer
<b>FUA</b>	\$37	Cooking Fuel
<b>PUA</b>	\$29	Telephone
<b>TUA</b>	\$23	Garbage and Trash

Any cases with FoodShare eligibility run on or after August 27, 2020, will have the new SUA amounts applied, effective October 1, 2020.

### ***SELF-EMPLOYED CHILD CARE PROVIDER DEDUCTIONS***

Self-employed child care providers can deduct the cost of meals provided to enrolled children from the income earned by their child care business. They may report the actual cost of the meals, or they may use the federal standard deductions. The reported costs may not exceed allowable federal standard deductions based on the eligible tier. Tier 1 applies to households with income at or below 185 percent of the FPL income guidelines. Tier 2 applies to all other households.

<b>Federal Standard Deductions</b>		
<b>Meals</b>	<b>Tier 1</b>	<b>Tier 2</b>
Breakfast	\$1.39	\$0.50
Lunch or supper	\$2.61	\$1.58
Supplement (snacks)	\$0.78	\$0.21

### ***ASSET LIMIT FOR FOODSHARE FOR THE ELDERLY BLIND, OR DISABLED***

The asset limit applies to Elderly, Blind, or Disabled (EBD) food units (all members are elderly, blind, or disabled) with gross income over 200% of the FPL and with a net income that does not exceed 100% FPL. The asset limit will remain \$3,500.

### **CONTACTS**

BEPS CARES Information and Problem Resolution Center

DHS/DMS/BEPS/KD