



Date: February 19, 2021

DMS Operations Memo 21-04

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           |  |

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Division of Medicaid Services

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Bureau of Enrollment & Eligibility Policy  
Division of Medicaid Services

**Updated Policy Regarding the Option to Take the  
Excess Shelter Deduction or Homeless Shelter Deduction**

**CROSS REFERENCE**

- Operations Memo [19-37](#)
- 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](#)

**EFFECTIVE DATE**

Immediately

**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 included a new requirement related to homeless housing cost deductions. Prior to this legislation, states were allowed to apply a standard shelter deduction to the FoodShare budget for certain homeless households. With this legislation, states must give certain homeless households the option to claim a standard shelter deduction.

## **POLICY**

When all members of a food unit are homeless and the household has monetary or obligated shelter expenses, the assistance group may claim either the excess shelter/utility costs deduction 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 2021 (starts October 1, 2020) the amount of the deduction is \$157.00. The USDA Food and Nutrition Service (FNS) publishes the updated amount annually.

CARES is programmed to always give the deduction that results in the higher benefit allotment, but the applicant or member must be given the option of claiming either the regular shelter deduction or the homeless shelter expense deduction.

When manually calculating an overpayment claim or supplement, income maintenance workers must take into account whether the assistance group opted for the regular shelter deduction or the homeless shelter expense deduction. In calculating the claim, the homeless shelter expense deduction can only be included in the claim calculations for benefit issuance months beginning in October 2019 and going forward.

## **CONTACTS**

BEOT CARES Information and Problem Resolution Center: [DHSCAREScallcenter@wi.gov](mailto:DHSCAREScallcenter@wi.gov)

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