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DMS Operations Memo 26-32

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

Affected Programs:
☐ BadgerCare Plus
☒ FoodShare
☒ Medicaid
☐ SeniorCare
☐ Caretaker Supplement
☐ FoodShareEmployment and Training

From: Jonelle Brom, Bureau Director
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Division of Medicaid Services

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FoodShare Cost of Living Adjustments

CROSS REFERENCE

- Operations Memo 25-13, FoodShare Cost of Living Adjustments
- FoodShare Wisconsin Policy Handbook, Section 8.1 Tables, Section 4.3.3.8 Self-employment Expenses: Self-employed Child Care Provider, Section 4.4.1.7 Disregarded Assets, Section 6.1.2 Six Month Reporting Requirement, and Section 8.1.3 Deductions
- 7 C.F.R. § 273.9(d)
- Medicaid Eligibility Handbook, Section 18.6.2 Community Spouse Income Allocation

EFFECTIVE DATE

October 1, 2026

PURPOSE

The purpose of this 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) 2027. FFY 2027 is October 1, 2026, through September 30, 2027.

BACKGROUND

Each year, the U.S. Department of Agriculture (USDA) Food and Nutrition Administration (FNA) announces the FoodShare COLA (which includes updates to income limits for eligibility, maximum allotments, and deduction amounts), and adjustments to standard utility allowances and self-employed child care provider meal deductions. The USDA uses the Thrifty Food Plan (TFP) to calculate maximum allotments for FoodShare. Based on this year's TFP, FoodShare maximum allotment amounts will increase. States are required to adjust allotments on October 1 of each year based on requirements in the Food and Nutrition Act. 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 2027

Effective for October 1, 2026, eligibility determinations for FoodShare will apply the FFY 2027 COLA amounts, standard utility allowances, and self-employed child care provider meal deductions. Members will receive a Notice of Decision if the COLA results in a change of benefits, effective October 1, 2026.

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 Policy Handbook with the next handbook release.

TABLE 1: FOODSHARE INCOME LIMIT AND ALLOTMENT AMOUNTS

Monthly Income Limit and Allotment Amounts for FFY 2027					
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	$2,660	$2,195	$1,729	$1,330	$306
2	$3,608	$2,976	$2,345	$1,804	$562
3	$4,554	$3,757	$2,960	$2,277	$808
4	$5,500	$4,538	$3,575	$2,750	$1,023
5	$6,448	$5,319	$4,191	$3,224	$1,217
6	$7,394	$6,100	$4,806	$3,697	$1,463
7	$8,340	$6,881	$5,421	$4,170	$1,616
8	$9,288	$7,662	$6,037	$4,644	$1,841
9	$10,892	$8,443	$6,653	$5,118	$2,066
10	$11,840	$9,224	$7,269	$5,592	$2,291
Additional Member	$948	$781	$616	$474	$225

MINIMUM ALLOTMENT

The minimum monthly FoodShare allotment for a categorically eligible food unit that includes one or two people increases to $25.

MAXIMUM EXCESS SHELTER DEDUCTION

The maximum excess shelter deduction increases to $769.

HOMELESS SHELTER DEDUCTION

The homeless shelter deduction increases to $206.

STANDARD DEDUCTION

The standard deduction also increases, and it is based on the size of an assistance group.

Table 2: FoodShare Standard Deduction for FFY 2027

Assistance Group Size	Standard Deduction Amount
1-2	$217
3	$217
4	$229
5	$268
6 or more	$308

STANDARD UTILITY ALLOWANCES

The Heating Standard Utility Allowance (HSUA) increases to $930. The Limited Utility Allowance (LUA) increases to $466. The Electric Utility Allowance (EUA) decreases to $149. The Water and Sewer Allowance (WUA) increases to $120. The Cooking Fuel Utility Allowance (FUA) decreases to $36. The Phone Utility Allowance (PUA) increases to $113. The Trash Utility Allowance (TUA) increases to $50. Standard utility allowances for FFY 2027 are listed below.

Table 3: FoodShare Standard Utility Allowances for FFY 2027

SUA Code	Amount	Type of Utility Allowance
HSUA	$930	Heating
LUA	$466	Non-heat electric with at least one other qualifying expense
EUA	$149	Electric Utility Allowance
WUA	$120	Water and Sewer
FUA	$36	Cooking Fuel
PUA	$113	Telephone
TUA	$50	Garbage and Trash

Changes to the HSUA, LUA, and PUA standard utility allowances are also used to calculate patient liability and cost share amounts for Institutional Medicaid and Waiver Medicaid spousal impoverishment cases. As a result of increases to the HSUA, LUA, and PUA, some Medicaid long term care members will have a reduced patient liability or cost share starting October 1, 2026.

SELF-EMPLOYED CHILD CARE PROVIDER DEDUCTIONS

Self-employed child care providers deduct the cost of meals 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, which increased this year. Reported costs may not exceed allowable federal standard deductions based on the eligible tier.

Table 4: USDA Child and Adult Care Food Program (CACFP) Federal Standard Deductions

Meals	Tier 1 (185% FPL households)	Tier 2 (all other households)
Breakfast	$1.74	$0.62
Lunch or supper	$3.31	$1.99
Supplement (snacks)	$0.98	$0.27

ASSET LIMIT

The asset limit for Elderly, Blind, or Disabled (EBD) food units with at least one EBD member, with gross monthly income over 200% of the FPL increases to $4,750. The non-EBD food units subject to regular Supplemental Nutrition Assistance Program (SNAP) rules asset limit remains $3,000.

The lottery and gambling limit increases to $4,750.

SIX-MONTH REPORT FORM (SMRF) INCOME CHANGE REPORTING REQUIREMENT

FoodShare members who are required to complete a SMRF must report a change of $150 or more in unearned income based on the most recently verified amount. This changed from the previous $125 unearned income reporting requirement.

CONTACTS

DHS CARES Problem Resolution Team

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