



Department of Human Resources  
311 West Saratoga Street  
Baltimore MD 21201

Family Investment Administration  
**ACTION TRANSMITTAL**

Control Number: #04-08

Effective Date: October 1, 2003

Issuance Date: September 22, 2003

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES  
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT  
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF**

**FROM: KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR**

**RE: MANDATORY STANDARD UTILITY ALLOWANCE (SUA) AND LIMITED  
UTILITY ALLOWANCE (LUA)**

**PROGRAM AFFECTED: FOOD STAMP PROGRAM**

**ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS**

**SUMMARY:**

One of the 2002 Farm Bill options allows the State to mandate the utility allowances. This policy option:

- Eliminates the use of actual expenses, except for households that have only one utility expense that does not include heating or cooling
- Simplifies the policy for prorating the utility allowances when households share utility expenses
- Entitles households in public housing to get the utility allowance

**ONGOING SUA/LUA POLICY:**

- Households that are billed for heating or cooling separately from rent are entitled to the SUA.
- Households that incur an expense for more than one utility that does not include heating or cooling are entitled to the LUA
- Households that are billed for only one utility that does not include heating or cooling and do not have a phone expense are entitled to actual expenses.
- Households that have only a phone expense are entitled to the phone allowance.
- Households are eligible for the appropriate utility allowance throughout all months of the year.

## **NEW POLICY:**

### ***Households with Bills in Excess of the Utility Allowances***

- Households with shelter costs in excess of the standard utility allowance (SUA) or limited utility allowance (LUA) can no longer claim a higher actual amount for shelter costs. The case manager will allow the appropriate utility allowance.

### ***Households That Share Utilities***

- We will no longer prorate the SUA or LUA when households share a residence and the utilities. Each household gets the entire SUA or LUA.

Example 1: Mrs. A and her daughter, Miss A (age 25) live together. They purchase and prepare meals separately and are separate food stamp households. Miss A pays her mother \$50 per month as her share of the gas and electric bill, which includes heat. Both Mrs. A and Miss A are entitled to the full SUA. The case manager will enter a “y” in the SUA field on the SHEL screens for both households.

Example 2: Mr. B lives with Mr. C. Mr. B is applying for food stamps and states that he purchases and prepares his meals separately from Mr. C who does not get food stamps. All utilities are included in the rent except for water and the phone. They share the utility expenses. Mr. B is entitled to the full LUA. The case manager will enter a “y” in the LUA field on the SHEL screen.

Example 3: Mr. F lives with Mr. G. Mr. F is applying for food stamps and states that he purchases and prepares his meals separately from Mr. G. All utilities are included in the rent except for water and the phone. **They share the utilities by each paying one of the bills. Mr. F pays the water bill and Mr. G pays the phone bill.** Since they are sharing the residence and the utility bills both are entitled to the LUA. The case manager will enter a “y” in the LUA field on the SHEL screen for each household.

### ***Households in Public Housing that Pay for Excess Usage***

- Households in public housing who pay only for excess usage of utilities will get the appropriate LUA or SUA.
- A household in public housing that is responsible for excess usage but never has to pay the charge is not entitled to the appropriate SUA or LUA.
- Allow the LUA or SUA if the household verifies that it has incurred an expense for excess usage in the past 12-month period.

Example 4: Mr. G lives in public housing. His rent includes heat and cooling, but he is billed each month for excess usage of these utilities. He is entitled to the SUA. The case manager will enter a “y” in the SUA field on the SHEL screen.

Example 5: Mrs. P lives in public housing where the excess usage for electric is assessed quarterly for the electric. The household has an air conditioner. She received a bill for excess usage during the summer quarter. Since this was in the past 12-month period, she is entitled to the SUA. The case manager will enter a “y” in the SUA field on the SHEL screen.

### ***Households that Include an Ineligible Member who Pays the Utility Bill***

It is no longer necessary to prorate the SUA or LUA if an ineligible member is responsible for the qualifying bill.

Example 6: Mr. and Mrs. S and their 3 children are qualified immigrants. Mrs. S has lived in the U.S. for more than 5 years and the children are under age 18. Mr. S has live in the U.S. for only 3 years and is ineligible for food stamps. Mr. S works and is responsible for all the bills, which includes the heating oil bill. The eligible household members are entitled to the entire SUA. On the SHEL screen, the case manager will enter a “y” in the SUA field.

Note: The income and rental costs are still prorated as described in section 108.5 of the Food Stamp Manual.

#### Policy Reminders:

- Households that are billed for only one utility that does not include heating or cooling and do not have a phone expense are not entitled to the SUA or LUA. They do get the actual amount billed for expenses.

Example 7: Mr. T is applying for food stamps. His rent includes all utilities except for electric for lights. He does not have a second utility. He is entitled to the actual electric expense. Mr. T provides his most recent electric bill for verification. The case manager determines that the bill does not vary greatly from month-to-month and enters the monthly amount on the SHEL screen under Actual Expenses.

Example 8: Mrs. D receives food stamps. She lives with her 30-year old son. They purchase and prepare separately. Their only utility expense is the electric bill for lights (heating and cooling is included in the rent). They share this expense. Mrs. D’s share of the bill is \$10, which is verified by a statement from her son. The case manager will enter this as an expense on the SHEL screen under actual utilities beside “Electric.”

- Households with only a telephone expense continue to get the phone allowance. Under “Utility Method” on the SHEL screen, the case manager will enter a “y” beside Phone only.

**ACTION DUE:**

This policy is effective for applications and recertifications on or after October 1, 2003.

**INQUIRIES:**

Please direct inquiries to Kay Finegan at 410-767-7939 or Marilyn Lorenzo at 410-767-7333. If you have any CARES questions or concerns please contact Scott Adams at (410) 767-3964

cc: FIA Management Staff  
Constituent Services  
DHR Help Desk

**CARES ACTION REQUIRED:**

Following is a guideline for determining the correct utility allowance:

Utility Allowance	Criteria	CARES Action
Standard Utility Allowance	<ul style="list-style-type: none"> <li>◆ Households billed separately from rent or mortgage for utility costs that include heating or cooling</li> <li>◆ Money paid to someone else towards heating or cooling costs</li> <li>◆ Shared utility expenses for heating and cooling</li> <li>◆ Households in public housing that are billed for excess usage of heating or cooling costs</li> <li>◆ Households that include an ineligible member who pays the bill</li> </ul>	Enter "Y" in SUA field on the SHEL Screen
Limited Utility Allowance	<ul style="list-style-type: none"> <li>◆ Households that incur expenses for two or more utilities that do not include heating or cooling costs</li> <li>◆ Shared expense for two or more utilities that does not include heating and cooling costs</li> <li>◆ Households in public housing that are billed for excess usage of two or more utility expenses that do not include heating or cooling, or telephone</li> <li>◆ Households that include an ineligible member who pays the bills</li> </ul>	Enter "Y" in the LUA Field on the SHEL Screen
Actual	<ul style="list-style-type: none"> <li>◆ Only one utility other than phone, heating or cooling expense</li> <li>◆ Shared expense of one utility other than telephone</li> </ul>	Enter "Y" in the "Actual Expenses Claimed" field, and the actual amount of the expense in the appropriate field on the SHEL screen
Telephone	<ul style="list-style-type: none"> <li>◆ Pays for telephone only</li> </ul>	Enter a "Y" in "Phone Only" Field on the SHEL Screen

## UTILITY ALLOWANCE REFERENCE GUIDE

HOUSEHOLD SITUATION	SUA	LUA	ACTUAL EXPENSE	CASE MANAGER ACTION	CODING SHEL SCREEN
Billed for heat, including flat rate to landlord for heat.	✓			Allow the full SUA	Put a Y in SUA
Billed for cooling, including flat rate to landlord for cooling.	✓			Allow the full SUA	Put a Y in SUA
Billed for any 2 or more utilities but not heat or cooling.		✓		Allow the full LUA	Put a Y in LUA
Billed for heating or cooling that are more than the SUA.	✓			Allow full SUA. <i>Do not use actual expenses</i>	Put a Y in SUA
Billed for two or more utilities that are more than LUA.		✓		Allow full LUA. <i>Do not use actual expenses</i>	Put a Y in LUA
Billed for telephone only.				Allow the full basic phone allowance	Put a Y next to phone
Billed for excess usage of heating or cooling. Either private or public housing.	✓			Allow the full SUA. Verify expense and amount	Put a Y in SUA
Billed for excess usage of two or more utilities but not heating or cooling. Either private or public housing.		✓		Allow the full LUA. Verify expense and amount	Put a Y in LUA
Multiple households live together and each pays a portion of the utilities (sharing) including heat.	✓			Each FS household is eligible for the Full SUA	Put a Y in SUA
Multiple households live together. One pays the heat while the other household pays (sharing) the other utilities.	✓			Allow the Full SUA for both households	Put a Y in SUA
Customer lives with her mother who is not part of the FS household. Mother pays all shelter expenses for the customer.				Do not allow any shelter expenses	None
Husband, wife and 3 children live together. Husband is an ineligible immigrant (ABAWD, no SSN etc.). HH is billed for utilities and heat separately from rent. Husband pays all expenses.	✓			Allow the Full SUA	Put a Y next to SUA
Household pays for water only. (1 utility)			✓	Enter the actual amount paid monthly	Enter the amount in the appropriate field under Actual Expenses claimed
Household contains an ineligible immigrant and pays for 1 utility only.			✓	Enter the full actual amount	CARES will prorate the expense of the ineligible person

**Remember:**

SUA = heating or cooling costs (not a fan or supplemental heating such as a wood stove)

LUA = any two or more utilities –no heat or cooling costs (for example: water, gas, trash pick up, electric)

Actual Utility = 1 utility that does not include heating or cooling costs or cost of the phone. Actual utility costs are only utility costs that are prorated because of ineligible members.

Telephone =Households with only a phone expense are eligible for the basic phone allowance.