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United States
Department of
Agriculture

Food and
Nutrition
Service

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Alexandria, VA
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SUBJECT: SNAP – Standard Utility Allowance (SUA) Annual Review and
Adjustment – Option to Postpone Annual Adjustment

TO: Regional Directors
Supplemental Nutrition Assistance Program
All Regions

Federal regulations at § 273.9 (d)(6)(iii) provide that a State agency, with approval from Food and Nutrition Service (FNS), may develop a Standard Utility Allowance (SUA) to be used in place of actual utility costs in determining a household's excess shelter deduction. States opting to implement SUAs must review the standards annually and make adjustments to reflect changes in cost. It has come to FNS' attention that unusual shifts in utility costs, reflected in fiscal year (FY) 2012 SUAs, have the potential to significantly decrease Supplemental Nutrition Assistance Program (SNAP) benefits to needy families in some States – even if the circumstances of the household have remained constant.

This memorandum provides a policy option to States to help soften the impact that reduced SUAs might have on SNAP households in certain States. For SUAs which will decrease for FY 2012, States may extend FY 2011 SUA amounts through March 31, 2012. On April 1, 2012, States which take this option must adjust their SUAs to the FY 2012 levels, based on their FNS-approved methodologies. However, FNS will not require any State to lower its SUA by more than a \$66. This will ensure that no household will experience more than a \$20 decrease in their monthly benefit.

This policy option does not apply to SUAs which will stay the same or increase for FY 2012. On October 1, 2011, States must update any SUAs which are the same or increase for FY 2012 based on the State's FNS-approved methodology.

This policy balances the need to base the benefit structure on current price levels while cushioning the impact on household benefits. It also protects low-income SNAP recipients from experiencing reduced SUAs and SNAP allotments during the winter months.

As provided by SNAP rules, SUAs are intended to reflect utility price levels and should be adjusted each year to reflect current household utility costs. On October 1, 2012, all States will be expected to make annual adjustments to their SUAs as provided by § 273.9 (d)(6)(iii) and based on their normal FNS-approved methodologies. There will be no further extensions.

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