



United States Department of Agriculture

Food and
Nutrition
Service

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SUBJECT: Supplemental Nutrition Assistance Program – Section 4006
Agricultural Act of 2014 – Implementing Memorandum

TO: Regional Administrators
Food and Nutrition Service

On February 7, 2014, the Supplemental Nutrition Assistance Program (SNAP) was reauthorized as part of The Agricultural Act (the Act) of 2014 (P.L. 113-79). Attached is an implementing memorandum describing Section 4006, "Standard Utility Allowances Based on the Receipt of Energy Assistance." Regulations reflecting revisions to SNAP associated with this provision made by the Public Law 113-79 will be published as soon as possible. An implementing memorandum describing the remaining SNAP provisions of the Act will be forthcoming.

Please forward the attached memorandum to your State commissioner. Please keep us advised of any implementation problems and how States plan to implement Section 4006.

If you have any questions, please contact Lizbeth Silbermann at Lizbeth.Silbermann@fns.usda.gov.

A handwritten signature in black ink, appearing to read "Jessica Shahin".

Jessica Shahin
Associate Administrator
Supplemental Nutrition Assistance Program

Implementation Memo – Section 4006 of the Agricultural Act of 2014

The Supplemental Nutrition Assistance Program (SNAP) was recently reauthorized as part of The Agricultural Act (the Act) of 2014 (P.L.113-79) enacted February 7, 2014. The law contains various provisions that affect SNAP eligibility, benefits, and program administration.

This memorandum describes Section 4006 of the Act, entitled “Standard Utility Allowances Based on the Receipt of Energy Assistance Payments,” and the implementation action required for this provision.

Per SNAP regulations at 7 CFR 275.12(d)(2)(vii), Quality Control variances resulting from a change required by Federal law may be excluded from the analysis of QC errors for a period of 120 days from the required implementation date. States will be held harmless for 120 days from March 10, 2014, for errors occurring as a result of the implementation of this provision. The variance exclusion will end on July 8, 2014.

Section 4006. Standard Utility Allowances Based on the Receipt of Energy Assistance Payments.

By way of background, the connection between the Low-Income Home Energy Assistance Program (LIHEAP) and SNAP was originally established in 1985 in order to provide a simpler way for States and applicants to determine household utility costs. Receipt of LIHEAP benefits is intended to serve as a reasonable proxy for the actual utility costs that a household incurs. As a result, in lieu of demonstrating actual utility costs, receipt of LIHEAP benefits may be used to trigger the higher heating and cooling Standard Utility Allowance (SUA), and thereby increase the SNAP deductions for which households may be eligible.

This relationship between LIHEAP and SNAP continues to serve as an important administrative simplification for States and households, easing the burden of documenting all household utility expenses while continuing to ensure that households most in need receive all the deductions to which they are entitled. FNS encourages States to move forward with implementation of section 4006 in a manner that adheres to the original intent and basis for the connection between LIHEAP and SNAP.

This provision requires that households receive a payment greater than \$20 annually in Low Income Heating Assistance Program (LIHEAP) benefits or in other similar energy assistance benefits in the current month or in the immediately

preceding 12 months in order to automatically qualify for the Standard Utility Allowance (SUA) based on receipt of LIHEAP. This change takes effect 30 days after enactment (March 10, 2014) and applies to certification periods that begin on or after that date (on or after March 10, 2014).

This provision was intended to prevent the issuance of nominal LIHEAP payments in order to automatically qualify SNAP households for the SUA. In addition, it strengthens the LIHEAP/SUA link by requiring that the household must have received an actual LIHEAP payment in order to use LIHEAP participation as the basis for the household's qualification for the SUA.

For new households, this provision must be implemented for certification periods beginning on or after March 10, 2014.

For their ongoing caseloads, States have the option to delay implementation for current recipients by up to five months beginning on the date on which the amendments would otherwise apply to the household. For most State agencies, this would apply to recertification periods that begin April 1, 2014. Further guidance regarding the available options and ways in which States may choose to implement the provision for ongoing households will be provided in Questions and Answers to be released shortly.

Households with actual utility expenses remain eligible for the SUA. For households that no longer qualify for the SUA based on receipt of LIHEAP, States must take steps to determine if a household qualifies for the SUA based on actual utility expenses. Furthermore, FNS encourages State agencies to review their current utility allowances, including the limited utility allowance and the single utility allowances to ensure that households with actual utility expenses are able to claim all of the deductions for which they are eligible.

This memorandum serves as notice to State agencies that, consistent with the time period normally provided to States for initiating and completing system changes, the Food and Nutrition Service will begin holding States accountable for implementing the changes associated with this provision 60 days from the issuance date of this memorandum.