

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

September 19, 1989



ALL COUNTY LETTER NO. 89-93

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: DETERMINATION OF SUA ENTITLEMENT IN RENTAL HOUSING
SITUATIONS IN THE FOOD STAMP PROGRAM

Reference: ACIN I-118-87

This letter is to provide direction to County Welfare Departments (CWDs) regarding the determination of the Standard Utility Allowance (SUA) entitlement in rental housing situations. Per Manual Section (M.S) 63-502.352, residents of rental housing who are billed monthly by their landlords for heating or cooling costs separate and apart from rent based on individual metering are entitled to the SUA. There have been numerous questions and concerns raised regarding the concept of actual usage being verified individual metering.

As a result, State Quality Control (QC) has been requested not to cite errors where the CWD's determination of SUA entitlement has differed from that of the QC reviewer over the application of the "individual metering" requirement until we clarify the policy through the issuance of an All County Letter.

The following policy direction is effective December 1, 1989 for all new applicants, For currently certified households, this policy shall be implemented no later than at recertification, at the client's request or any time a case file is reviewed if the CWD has sufficient information to process the change.

In addition, attached are examples of SUA determination situations (Attachment 1) and a chart which can be used as a guide in SUA determination (Attachment 2).

Actual usage as verified by individual metering applies to how the household is billed for utility expenses, As long as the utility amount being charged to the household is based on metered usage, the household would be entitled to the full SUA.


In accordance with M.S. 63-502.352(a)(2), the SUA would be prorated when a household shares utility costs and lives with another individual or household. To determine if individuals or households are living together for purposes of SUA proration, the CWDs should follow the guidelines for "household composition" when determining if parents and children are living together. Such guidelines would

include if the household has a separate entrance, bathroom and kitchen facilities. In roomer situations, if the household is being charged a share of the actual metered expense (for the residence itself), the SUA would be allowed. The individual rooms do not have to be metered.

Households which are billed a flat rate each month rather than a share of the metered expense are not entitled to the SUA, but can claim actual expenses (flat rate amount) in conjunction with other expenses such as rent. However, a prorated SUA cannot be used in conjunction with actual utility costs. (see example #4 of Attachment 1), as the possibility exists that the amount of the deduction (prorated SUA and actual expenses) may exceed the total amount of utility cost for the residence. This position is based on Federal regulations at 7 CFR 273.9(d)(6)(viii). At present, there is not a corresponding State regulation; however, there are plans to include the provision in a future regulatory package.

In shared expense situations where the SUA is claimed, a copy of the utility bill and/or a statement from the person billing the household indicating the shared amount would suffice as verification of SUA entitlement.

If you have any questions regarding the policy indicated in this letter, please contact Michael Papin of the AFDC and Food Stamp Policy Implementation Bureau at (916) 322-5330.



ROBERT A. HOREL
Deputy Director

Attachments

cc: CWDA

SUA Entitlement Case Situations

1. An apartment complex has six units which are metered centrally. Each unit is charged one-sixth of the monthly utility bill. The Food Stamp household occupies one unit.

The household would be allowed the full SUA as the billing is based on actual usage (for the complex) as determined by metering. The number of contributors (in the other five units) is not a factor as they do not live with the household.

2. A household is renting a room and is charged a one-third share of the monthly utility bill. The house is metered.

The household would be allowed a prorated SUA as it is sharing (with others at the same residence) in the expense based on actual metered usage for the house.

3. A household is renting a room and is charged a flat rate of \$50 per month for utilities separate and apart from the rent.

No SUA would be allowed as the household does not have a verifiable utility expense based on metered actual usage for the house. However, the household may claim actual expenses.

4. A Food Stamp household who is renting one-half of a duplex (one meter) has another Food Stamp household move in with them. The first household is charged one-half of the metered utility expense by the landlord who occupies the other half of the duplex. The second household is charged a flat rate of \$25 for utilities by the first household.

In this situation, the second household is paying a flat amount for utilities rather than sharing in the expense with the first household and can only claim actual costs. In addition, the first household may be charging the second household an amount which exceeds the one-half share of the metered expense for the duplex as charged by the landlord.

For the first household no SUA would be allowed either. If a prorated SUA were allowed for the first household in conjunction with actual utility costs for the second

household, the total amount of the deductions (SUA plus actual) may exceed the actual expense (i.e., one-half of the metered bill). Therefore, the SUA would not be allowed in conjunction with a claim for actual utility costs. The first household could, however, claim actual expenses.

5. The same situation as #4, except that the first FS household also lives with an ineligible alien who contributes an unidentified amount to the payment of the utility expense.

As indicated in Example #4, no SUA would be allowed due to the second household paying a flat amount rather than sharing the utility expense with the first household. The ineligible alien's contribution would be treated in accordance with M,S, 63-503,442(0).

6. Two Food Stamp households live together in a house that is metered, The utility bill is in the name of the first household. The second household is charged \$400 a month for rent **i** utilites.

As the second household does not pay an amount for utilities separate and apart from the rent, it would not be entitled to the SUA. However, the \$400 shelter expense would be allowed, The first household would be allowed to claim a prorated SUA as the second household does not have an identifiable actual utility cost.

Attachment -2-

DETERMINATION OF SUA ENTITLEMENT

<u>LIVING SITUATION</u>	<u>HOW BILLED</u>	<u>SUA DETERMINATION</u>
ONE HOUSEHOLD (ONE RESIDENCE)	METERED	ONE SUA
TWO HOUSEHOLDS (TWO RESIDENCES)	SHARED METER	TWO SUAS
TWO HOUSEHOLDS (ONE RESIDENCE)	SHARED METER	SUA PRORATED
TWO HOUSEHOLDS (ONE RESIDENCE)	FLAT RATE	NO SUA, ACTUAL UTILITY COST
TWO HOUSEHOLDS (ONE RESIDENCE)	HH 111-METERED	NO SUA, ACTUAL UTILITY COST
	HH 112-FLAT RATE	
TWO HOUSEHOLDS (ONE RESIDENCE)	HH 111-METERED	HH 111-PRORATED SUA
	HH #2-INCLUDED W/RENT	HH 112-NO SUA, ACTUAL SHELTER COST
TWO HOUSEHOLDS (TWO RESIDENCES)	EACH METERED	TWO SUAS

NOTES:

- o IF TWO OR MORE RESIDENCES USE SAME METER, BILL MUST BE SHARED TO ALLOW SUA,
- o IF TWO OR MORE HOUSEHOLDS LIVE TOGETHER IN SAME RESIDENCE, METERED BILL MUST BE SHARED TO ALLOW SUA, PRORATED SUA CANNOT BE ALLOWED IN CONJUNCTION WITH A CLAIM FOR ACTUAL UTILITY COSTS,
- o FOR PURPOSES OF SUA PRORATION, CONTRIBUTORS ARE A FACTOR ONLY IF THEY RESIDE WITH THE HOUSEHOLD,
- o FLAT RATE BILLING IS NOT BASED ON METERED BILL, THEREFORE NO SUA IS ALLOWED BUT ACTUAL EXPENSES MAY BE CLAIMED,