

# USDA's proposed rule limiting the SNAP Utility Allowance: Harm to Massachusetts

The SNAP benefit amount a household receives is based on three factors: gross income, household size and certain expenses or deductions. States use standardized amounts to determine utility costs incurred by low-income households (eg. heat, air conditioning, electricity, gas, phone). States use a Standard Utility Allowance (SUA) to simplify the process – the SUA is a number based on energy costs in each state.

USDA proposed a rule that would force DTA to use a SUA set by USDA. **Such a sweeping change would gravely affect states like Massachusetts**, where the costs of energy and housing are some of the highest in the nation.

## Who is harmed by USDA's proposed rule?

- ⇒ **48%** of Massachusetts SNAP households would lose some SNAP – approximately **220,000** households. Massachusetts would face more harm than 45 other states.<sup>1</sup>
- ⇒ **78%** of those who lose some SNAP would lose nearly **\$60** per month.<sup>2</sup>
- ⇒ Massachusetts stands to lose approximately **\$130 million in SNAP** per year, more SNAP per year than 42 other states.<sup>3</sup>
- ⇒ The households most likely to be harmed are **older adults and persons with disabilities**.<sup>4</sup>



### Two Examples:

- Mary & Joe Smith are age 70 with combined total income of \$1,600 and rent of \$640 (40% of their income) in Leominster. They also pay for oil heat. Current SNAP is \$96/month. Under the proposed SNAP rule, they would lose an estimated **\$59/month** and get only \$37/month.
- Lucy Jones works 35 hours/week earning \$12.75/hour. She and her daughter share a room in friend's apartment in Dorchester. She pays \$650/month in rent and pays for a portion of the AC and heat. Current SNAP is \$112/month. Under the proposed SNAP rule, they would receive only \$64/month – a drop of **\$48/month** in SNAP.

<sup>1</sup> Data from DTA's 11/22/19 comments, filed with USDA and from USDA estimates included in the proposed rule.

<sup>2</sup> Data from DTA's 11/22/19 comments, filed with USDA.

<sup>3</sup> USDA estimates included in the proposed rule.

<sup>4</sup> Under the SNAP math, most households are subject to a "shelter cap" in the SNAP math, limiting the amount of shelter/utility costs that are allowed as an income deduction (shelter costs that exceed 50% of the household's monthly income). However, the "shelter cap" does not apply to households with an individual age 60+ or who has verified severe disabilities, which is why these households are more likely to be harmed.