

# H.R. 1: CHANGES TO THE STANDARD UTILITY ALLOWANCE

## *New Policies Impacting SNAP*

**The Supplemental Nutrition Assistance Program (SNAP)** is the nation's first line of defense against hunger, providing monthly food assistance to over 42 million people.<sup>1</sup> Research demonstrates SNAP alleviates hunger, improves nutrition and health outcomes, stimulates local economies, supports educational outcomes for children, and reduces long-term health care costs.<sup>2</sup>

After being passed by a majority of Republicans in Congress, President Trump signed H.R. 1 (also known as OBBBA), into law on July 4, 2025.<sup>3</sup> This law makes sweeping changes and drastic cuts to SNAP that are a direct assault on the dignity, health, and well-being of millions of Americans struggling to put food on the table.

One of these changes breaks the longstanding link between receipt of Low-Income Home Energy Assistance Program (LIHEAP) fuel assistance and automatic access to the Standard Utility Allowance (SUA) for many SNAP households. **This change is expected to cut SNAP benefits for more than 670,000 households**, forcing families to divert limited resources away from food to cover basic utility costs.<sup>4</sup>

### WHAT IS THE STANDARD UTILITY ALLOWANCE?

The Standard Utility Allowance is an essential component of calculating SNAP benefit amounts for eligible households. A household's eligibility and monthly SNAP benefit are determined by looking at the household's net income after deductions for expenses. Generally, the higher the deductions a household claims, the lower their net income, thus the more adequate their SNAP benefit.<sup>5</sup> One key deduction is household utility costs. Since actual utility costs can fluctuate month-to-month, a standard amount is used to represent utility costs for households with low incomes, known as the SUA.<sup>6</sup>

States set the SUA and must periodically update the amount to reflect the changes in utility costs. States can establish several different SUAs to represent the costs of different types of utilities, including:

- ▶ utilities that are used for Heating and Cooling Standard Utility Allowance (HCSUA),
- ▶ Basic or Limited Utility Allowance (BUA/LUA) for utility costs that are not used for heating or cooling, and
- ▶ SUAs for each individual utility: electricity, gas and fuel, water, sewage, trash, and telephone.

States can further segment the amounts of these SUAs based on factors such as household size, geographic area, and season.



### DETERMINING SNAP BENEFIT AMOUNTS

SNAP households are expected to spend 30 percent of their income on food, with SNAP making up the difference between this 30 percent and the expected cost of food for the household, according to the Thrifty Food Plan.<sup>1</sup>

The steps for calculating a household's SNAP benefit are:

1. Determine the household's net income after deductions.
2. Multiply this number by 0.3.
3. Subtract this amount from the maximum monthly benefit for the size of the household.
4. The difference is the household's monthly SNAP benefit amount.

See details at <https://www.fns.usda.gov/snap/recipient/eligibility>.

### HOW DOES H.R. 1 CHANGE SUAS?

**H.R. 1 weakens the LIHEAP-SNAP connection in two critical ways:**

1. The law eliminates automatic eligibility for the higher Heating and Cooling Standard Utility Allowance for SNAP households that receive a nominal LIHEAP payment unless the household includes an older adult or a person with a disability. For all other households, receipt of a LIHEAP payment alone is no longer sufficient to qualify for the higher SUA.
2. Households without an older adult or person with a disability must now document their actual heating and cooling expenses in order to claim the higher SUA. This new requirement increases paperwork burdens, creates delays, and raises the risk that eligible households will receive reduced benefits simply because they cannot obtain or submit timely verification.

Together, these changes are expected to **reduce SNAP benefits by \$5.9 billion over 10 years**, translating to an average loss of about **\$100 per month for affected households** unless they can successfully verify energy expenses.<sup>7,8</sup>

These burdens fall disproportionately on working families with children, renters with non traditional utility arrangements, and households facing fluctuating energy costs.

### WHAT ARE THE IMPACTS OF THIS CHANGE?

The LIHEAP-SNAP connection has reduced administrative burden for both SNAP households and state agencies by streamlining eligibility for the Standard Utility Allowance. Under H.R. 1, households must now track, document, and report utility expenses, while SNAP agencies must process and verify this additional information. These changes are likely to result in benefit losses for thousands of eligible families — not because their needs have changed, but because the process has become more complex and burdensome.

- ▶ Households will face additional red tape and risk underpayment of SNAP benefits if utility expenses are not accurately captured. Especially for households with nonstandard utility payment structures, these changes also have the potential to create confusion.
- ▶ State agencies responsible for screening households' utility expenses will face increased operational burden. Many SNAP state agencies are underfunded and understaffed, yet they will require more staff time and paperwork to manage SNAP cases. Every time additional documentation and verification requirements are added to SNAP operations it increases the possibility for errors and delays.

Currently, 13 states (California, Connecticut, the District of Columbia, Maine, Maryland, Massachusetts, Michigan, New York, Oregon, Pennsylvania, Rhode Island, Washington, and Montana) operate Heat and Eat programs using LIHEAP or state-funded energy assistance. In fiscal year 2023, **over 3.1 million households claimed the highest SUAs because they received LIHEAP** assistance from these states. Of these households, **1.2 million (38 percent) of these households did not include an older adult or person with a disability** and will see reduced SNAP benefits under H.R. 1 (see table below).

For these households, the reduction of utility costs can mean higher net income and lower SNAP benefits. This is especially harmful for households in areas at high risk of natural disaster and increased energy costs. While households with an older adult or person with a disability can use the highest SUA to claim their full excess shelter deduction, all other households are “capped” at claiming only \$744. This shelter cap limits the adequacy of households’ SNAP benefits, contributing to the shortfall between what households need for food and what they can afford. In fiscal year 2023, 3 million households (14.2 percent) claimed a deduction equal to the shelter cap.<sup>10</sup>

**REDUCING THE HARM**

To minimize harm and ensure households can continue to access the food they need, advocates and stakeholders can take proactive steps:

- ▶ **Conduct outreach to older adults and people with disabilities:** Partner with organizations that already serve these populations — such as senior centers, disability service providers, and housing agencies — to ensure households know about their continued eligibility for utility deductions. Additionally, refer these individuals to utility assistance services they may be eligible for.
- ▶ **Support households in reporting utility expenses and shelter costs:** Encourage all households to report all shelter costs to ensure they receive the accurate shelter deduction and full SNAP benefits.

- ▶ **Simplify verification processes:** Work with state agencies to streamline how households verify utility expenses. For example, in some states, households reporting forms include a straightforward checklist that allows individuals to verify individual utility expenses, like a water or telephone bill. This helps ensure households are claiming the correct SUA.
- ▶ **Ensure SUAs reflect rising costs:** State agencies are required to periodically update their SUAs based on rigorous methodology and verified data to ensure they align with actual costs.<sup>11</sup> For many states the methodology used to calculate SUAs do not fully reflect the high utility costs households with low incomes face.<sup>12</sup> Advocates should work with state agencies to ensure SUAs accurately reflect high and rising utility costs.
- ▶ **Encourage Congress to pass the Restoring Food Security for American Families and Farmers Act and the Closing the Meal Gap Act:** The first bill repeals H.R. 1’s cuts to SNAP, and the second strengthens SNAP benefits, including by eliminating the cap on the shelter deduction, which will reduce administrative burden and help all households absorb rising shelter and utility costs.

State governments and SNAP agencies additionally play a critical role in protecting SNAP participants and maintaining access to benefits. States should:

- ▶ Implement policies that reduce administrative burden for families, such as creating and maintaining flexible and accessible verification and reporting processes.
- ▶ Fully fund SNAP operations, ensuring SNAP offices are adequately staffed and employes trained to support participants and effectively process increased utility verification documentation.
- ▶ Monitor the impact of policy changes on SNAP participation and food security.
- ▶ Collaborate with advocates to identify and resolve barriers to access.

**The costs of inadequate SNAP, including health care costs for both individuals and communities, far outweigh the investments needed to ensure the program meets participants’ needs.<sup>13</sup> By fully supporting SNAP, states help reduce hunger, improve public health, and strengthen local economies.**

State	Heat & Eat Households: Highest SUA Based on LIHEAP	Households no Longer Able to Claim Highest SUA Due to H.R. 1	Percent of SNAP Households Impacted
California	719,762	267,127	9.3%
Connecticut	83,355	30,853	13.8%
District of Columbia	42,849	18,387	22.5%
Maine	31,413	6,068	6.5%
Maryland	59,209	27,076	8.3%
Massachusetts	121,952	46,495	7.2%
Michigan	207,464	72,143	9.6%
Montana	14,284	3,598	8.5%
New York	1,101,247	431,915	27.3%
Oregon	56,723	22,949	5.7%
Pennsylvania	486,601	150,941	16.1%
Rhode Island	39,705	17,732	20.9%
Washington	142,510	79,441	15.7%

Source: see [Technical Notes](#)

**ENDNOTES**  
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 2. Food Research & Action Center. (2017). *The role of the Supplemental Nutrition Assistance Program in improving health and well-being*. <https://frac.org/wp-content/uploads/hunger-health-role-snap-improving-health-well-being.pdf>  
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 4. Congressional Budget Office. (2025). *Estimated effects of Public Law 119-21 on participation and benefits under the Supplemental Nutrition Assistance Program*. <https://www.cbo.gov/system/files/2025-08/61367-SNAP.pdf>. “CBO expects that the monthly SNAP benefit will decrease by roughly \$100 for about 3 percent of households, on average, in each year over the 2026-2034 period.” (CBO, 2025) CBO does not provide underlying household number. Number of households retrieved from: USDA. (2025). *Data tables: Supplemental Nutrition Assistance Program*. <https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-4fymonthly-7.pdf>  
 5. USDA Food and Nutrition Service. (2025, June 2). *SNAP eligibility*. <https://www.fns.usda.gov/snap/recipient/eligibility>  
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 7. *Estimated budgetary effects of Public Law 119-21, to provide for reconciliation pursuant to Title II of H. Con. Res. 14, relative to CBO’s January 2025 baseline*. (2025, July 21). Congressional Budget Office. <https://www.cbo.gov/publication/61570>  
 8. *Ibid.*  
 9. Figures reflects maximum excess shelter deduction in fiscal year 2026 in the 48 states and D.C. The maximum excess shelter deduction in fiscal year 2026 are \$1,189 in Alaska, \$1,003 in Hawaii, \$873 in Guam and \$586 in the Virgin Islands. Food and Nutrition Service, & Ward, R. (2025). *Memorandum on SNAP fiscal year 2026 cost-of-living adjustments*. <https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-cola-fy26memo.pdf>  
 10. United States Department of Agriculture, Monkovic, M., & Ward, B. (2025). Table A.11. *Characteristics of Supplemental Nutrition Assistance Program households: Fiscal year 2023*. In A. Weston (Ed.), *Supplemental Nutrition Assistance Program report series* [Report]. <https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-FY23-Characteristics-Report.pdf>  
 11. *Ibid.*  
 12. Ward, R. (2025). *Supplemental Nutrition Assistance Program (SNAP) — Simplified process for fiscal year 2026 Standard Utility Allowance (SUA) values*. <https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-simplifiedProcess-fy26sua-values.pdf>  
 13. Berkowitz, S. A., Seigman, H. K., Rigdon, J., Meigs, J. B., & Basu, S. (2017). Supplemental Nutrition Assistance Program (SNAP) participation and health care expenditures among low-income adults. *JAMA Internal Medicine*, 177(11), 1642. <https://doi.org/10.1001/jamainternmed.2017.4841>