TO:       DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISOR AND ELIGIBILITY STAFF

FROM:  KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR

RE:     COST OF LIVING ADJUSTMENT

PROGRAMS AFFECTED: FOOD SUPPLEMENT PROGRAM

ORIGINATING OFFICE: OFFICE OF PROGRAMS

SUMMARY:

The Food and Nutrition Service (FNS) has issued Cost of Living Adjustments (COLAs) to the Food Supplement Program (FSP) income eligibility standards and deductions. As a result of the American Recovery and Reinvestment Act of 2009 (ARRA), the maximum and minimum allotments remain unchanged for FY 2011. The FSP income eligibility standards for FY 2011 also remain unchanged.

There were only two changes. The shelter cap value for FY 2011 decreased slightly to $458 and the minimum standard deduction for household sizes 1 through 3 increased to $142 a month. These COLAs are effective October 1, 2011. CARES was modified to support these changes. Attached are the updated Food Supplement Program Manual pages.

CARES automatically generates customer notices for increases and decreases at the time of the mass change. The mass modification takes place on September 11, 2010.

INQUIRIES: Please direct FSP policy questions to Rick McClendon at 410-767-7307 or rmclend@dhr.state.md.us.

Attachments

cc:       DHR Executive Staff
Constituent Services
DHR Help Desk
FIA Management Staff
600.1 STANDARDS FOR ELIGIBILITY AND MAXIMUM ALLOTMENTS

A. The standards for the following appear in Section 600, page 2.

1. Column A - Maximum Gross Monthly Income Standards (130% of poverty)
2. Column B - Maximum Net Monthly Income Standards (100% of poverty)
3. Column C - Maximum Gross Income Standard for Elderly and Disabled Separate Household (165% of poverty)
4. Column D - Thrifty Food Plan/Maximum Allotment

B. Standards 1, 2, and 3 are used to determine household eligibility and not for computing allotments.

600.2 FORMULA CALCULATION

A. Multiply the household’s net monthly income by 30%.
B. Round the product up to the next whole dollar if any cents result.
C. Subtract the product from the maximum allotment amount for the household size found in Column D, Section 600.

NOTE: In an initial month, if the allotment is less than $10, no benefit is issued. Except in an initial month, all eligible one and two person households must be issued the minimum allotment of $16.

600.3 DEDUCTION STANDARDS

Standard Deduction
Household size up to and including 3 people --------------------- $142
Household of 4----------------------------------------------- $153
Household size of 5------------------------------------------ $179
Household size of 6 or more--------------------------------- $205
Excess Shelter Deduction-------------------------------------- up to $458
Homeless Household Shelter Allowance------------------------- $143
Standard Utility Allowance (SUA)----------------------------- $414
Limited Utility Allowance (LUA)------------------------------ $250
Telephone Standard------------------------------------------- $37

* The excess shelter deduction does not apply to households with an aged or disabled member. These households receive an uncapped shelter deduction.
600.4 Determining the Food Supplement Program Allotment

A. Determine a household's monthly food supplement allotment by using the Basis of Issuance Tables:

1. Calculate the household’s net monthly income.
2. Compare the household’s net monthly income to the maximum net monthly income standard, Column B below. Households that are not categorically eligible for food supplements will have net monthly incomes that are lower than or equal to the amounts shown in Column B.
3. Find the allotment by reading in the Basis of Issuance Tables, down to the appropriate income and across to the appropriate household size.

NOTE: A household that is categorically eligible is entitled to any allotment shown in the appropriate column on the tables. Persons in household sizes of one or two and categorically eligible are eligible for a benefit of $16, even if the tables do not show a benefit amount at their net income levels.

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Col. A</th>
<th>Col. B</th>
<th>Col. C</th>
<th>Col. D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$1174</td>
<td>$903</td>
<td>$1490</td>
<td>$200</td>
</tr>
<tr>
<td>2</td>
<td>1579</td>
<td>1215</td>
<td>2004</td>
<td>367</td>
</tr>
<tr>
<td>3</td>
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<td>1526</td>
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<td>526</td>
</tr>
<tr>
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<td>1838</td>
<td>3032</td>
<td>668</td>
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<td>2794</td>
<td>2150</td>
<td>3547</td>
<td>793</td>
</tr>
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<td>6</td>
<td>3200</td>
<td>2461</td>
<td>4061</td>
<td>952</td>
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<td>1052</td>
</tr>
<tr>
<td>8</td>
<td>4010</td>
<td>3085</td>
<td>5089</td>
<td>1202</td>
</tr>
<tr>
<td>Each Additional Member</td>
<td>+406</td>
<td>+312</td>
<td>+515</td>
<td>+150</td>
</tr>
</tbody>
</table>

* Maximum gross and net monthly income figures are not used for computing the food supplement allotment. They are included as a reference for determining the household's eligibility.