

MARYLAND

Department of Human Resources

Theodore Dallas, Secretary

***ESTIMATED
MINIMUM LIVING LEVELS
for
TEMPORARY CASH ASSISTANCE
CUSTOMERS***

Updated Through
FISCAL YEAR 2012

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ESTIMATED MINIMUM LIVING LEVEL

Fiscal Year 2012 Update

Background

In 1979, the Governor's Commission on Welfare Grants proposed that the estimated monthly Minimum Living Level for recipients of Aid to Families with Dependent Children (AFDC) be increased from \$314 per month to \$600 per month for a family of four persons. To be consistent with the average of 2.7 persons per household in 1995, the Minimum Living Level data was recalculated in Fiscal Year (FY) 1995 to convert the standard household from four persons to three persons. As of June 2011, the average has decreased to 2.54 persons per household.

The AFDC program was discontinued in FY 1997 and replaced by the Temporary Cash Assistance (**TCA**) program. The formats for preparing the Minimum Living Level have not changed. The Minimum Living Level represents the minimal standard of living for a family in Maryland whose only source of financial income is Public Assistance. The Minimum Living Level is not identical to either the *Poverty Threshold Level* developed by the Department of Commerce, Bureau of Census or the *Poverty Guidelines* published in the Federal Register by the Department of Health and Human Services. The HHS Poverty Guidelines are used for the graphic comparison (Table 5) of maximum program benefits, the MLL and an estimate for the national poverty level for FY 2012.

Senate Joint Resolution 34, enacted by the General Assembly in 1980, requires the Department of Human Resources to use the Commission's "findings, updated annually, as a basis for evaluating budgetary requirements for the various public assistance programs." This document updates the Minimum Living Level to include FY 2012. The standard recommended by the Governor's Commission for FY1980 was based on actual costs for July 1979. Updates for the proposed Minimum Living Level have been completed annually, except for FY 1981.

Methodology

The Maryland Minimum Living Level for FY 2012 is based upon nine components of a family budget, as recommended by the Governor's Commission on Welfare Grants. All costs are projected to June 2012, using the Consumer Price Indices for All Urban Consumers (CPI-U) in the Monthly Labor Review, distributed by the U.S. Department of Labor, Bureau of Labor Statistics.

The estimated Minimum Living Level has been updated 30 times since the original Governor's Commission Report. The Consumer Price Indices' reference years have been changed within the period of Minimum Living Level updates. For the years 1979 through 1988, the CPI-U used 1967 as the base year. Effective January 1988, the base was changed to calendar years 1982-84.

For this FY 2012 update, the percentage increases of the CPI-U components are projected through June 2012. The projected percentage increases are applied to the nine elements from the FY 2011 Minimum Living Level.

TABLE 1 and TABLE 2

Minimum Living Level: TCA Household of Three

Table 1 presents the FY 1980 - FY 2012 Minimum Living Level estimates for a TCA Household of Three.

Table 2 presents the component values of the FY 1980 - FY 2012 Minimum Living Level estimates.

TABLE 1

**MINIMUM LIVING LEVELS
TEMPORARY CASH ASSISTANCE
HOUSEHOLD of THREE**

SOURCE	Fiscal Year	TOTAL
Governor's Commission Report (FAMILY OF FOUR)	FY '80	600
Commission Report - Prorated (FAMILY OF THREE)	FY '80	504
Updated Minimum Living Level	FY '81	---
Updated Minimum Living Level	FY '82	585
Updated Minimum Living Level	FY '84	631
Updated Minimum Living Level	FY '85	659
Updated Minimum Living Level	FY '86	685
Updated Minimum Living Level	FY '87	704
Updated Minimum Living Level	FY '88	728
Updated Minimum Living Level	FY '89	761
Updated Minimum Living Level	FY '90	798
Updated Minimum Living Level	FY '91	852
Updated Minimum Living Level	FY '92	867
Updated Minimum Living Level	FY '93	987
Updated Minimum Living Level	FY '94	1,007
Updated Minimum Living Level	FY '95	1,079
Updated Minimum Living Level	FY '96	1,107
Updated Minimum Living Level	FY '97	1,134
Updated Minimum Living Level	FY '98	1,163
Updated Minimum Living Level	FY '99	1,194
Updated Minimum Living Level	FY '00	1,232
Updated Minimum Living Level	FY '01	1,278
Updated Minimum Living Level	FY '02	1,356
Updated Minimum Living Level	FY '03	1,374
Updated Minimum Living Level	FY '04	1,406
Updated Minimum Living Level	FY '05	1,460
Updated Minimum Living Level	FY '06	1,517
Updated Minimum Living Level	FY '07	1,569
Updated Minimum Living Level	FY '08	1,624
Updated Minimum Living Level	FY '09	1,700
Updated Minimum Living Level	FY '10	1,708
Updated Minimum Living Level	FY '11	1,726
Updated Minimum Living Level	FY 2012	1,773

TABLE 2

COMPONENTS of MINIMUM LIVING LEVELS
for a TEMPORARY CASH ASSISTANCE HOUSEHOLD of THREE

Fiscal Year	TOTAL	Contract		Utility	H'Hold Furnishing	Clothing and Cleaning	Personal Care	Transport	Other	Medical
		Food	Rent						Family Consump	Care [One Adult]
FY '80	\$504	\$174	\$147	\$33	\$45	\$53	\$18	\$15	\$8	\$10
FY '82	585	204	155	48	55	61	23	16	11	13
FY '84	631	213	172	54	57	64	25	19	13	13
FY '86	685	228	194	57	59	67	27	24	15	15
FY '88	728	244	212	55	60	71	29	24	17	17
FY '90	798	274	230	58	62	76	33	26	20	19
FY '92	867	281	261	63	65	75	34	42	24	23
FY '94	1,007	311	312	71	71	87	39	55	33	29
FY '96	1,107	310	359	78	81	85	39	91	33	31
FY '98	1,163	329	383	81	84	83	41	91	37	34
FY '00	1,232	353	413	83	85	84	44	91	42	37
FY '02	1,356	369	445	145	86	85	47	93	45	41
FY '04	1,406	382	480	141	86	81	49	96	46	45
FY '06	1,517	411	521	164	86	83	51	104	48	49
FY '07	1,569	420	528	184	87	83	52	114	50	51
FY '08	1,624	436	552	191	87	83	54	116	52	53
FY '09	1,700	457	571	212	87	83	54	125	54	55
FY '10	1,708	470	590	199	88	84	57	107	56	57
FY '11	1,726	473	586	205	86	83	57	118	57	59
FY 2012	1,773	489	592	212	85	84	58	134	58	61

TABLE 3 and TABLE 4

FY 2012 Minimum Living Levels for Various Household Sizes and Household Compositions

Table 3 summarizes the FY 2012 Minimum Living Levels (MLL) for various Household Sizes and Compositions. The child-only standards have been adjusted to exclude adult dental care and prorated shelter costs. The calculation is: 33% of the three-person MLL ($\$1,773 / 3 = \591) minus the adult dental ($\$12$) minus 33% of Rent/Utilities ($\$804 / 3 = \268). This equals **\$311**. This is increased by the average of the Rent/Utilities increments between 2 to 3, 3 to 4, 4 to 5, 5 to 6 and 6 to 7 person households. This equals **\$90**.

For the child-only cases, the estimate per child equals **\$401**, ($311 + 90$). For the parent-headed cases, the estimate for each additional child beyond a seven-person family is the difference between the six- and seven-person families, **\$295**.

Table 4 presents the values for the nine components of the FY 2012 MLL. The household sizes are one person through seven persons. **The baseline is the three-person household**. The component values for all other household sizes are calculated against the three-person household. Fractions of dollars within the components are not displayed, but they are carried in the calculations. Totals are rounded to the nearest dollar.

TABLE 3

***FY 2012 Minimum Living Levels
for Temporary Cash Assistance
by Household Size and Composition***

Household Size	Parent Headed Family	TCA Child Only
1	\$998	\$401
2	\$1,352	\$802
3	\$1,773	\$1,203
4	\$2,112	\$1,604
5	\$2,461	
6	\$2,864	
7	\$3,158	
Each Add l	\$295	

TABLE 4

**COMPONENTS OF FY 2012 MINIMUM LIVING LEVELS
for VARIOUS HOUSEHOLD SIZES**

Household Size	TOTAL	Food	Contract Rent	Utility	H'Hold Furnishing	Clothing and Cleaning	Personal Care	Transport	Other Family Consump	Medical Care [One Adult]
1	998 57%	187 38%	451 76%	161 76%	65 76%	28 33%	22 38%	45 33%	19 33%	20 33%
2	1,352 76%	342 70%	496 84%	177 84%	71 84%	56 67%	41 71%	89 67%	39 67%	40 67%
<u>3</u>	<u>\$1,773</u> 100%	<u>\$489</u> 100%	<u>\$592</u> 100%	<u>\$212</u> 100%	<u>\$85</u> 100%	<u>\$84</u> 100%	<u>\$58</u> 100%	<u>\$134</u> 100%	<u>\$58</u> 100%	<u>\$61</u> 100%
4	2,112 119%	622 127%	644 109%	231 109%	92 109%	112 133%	74 128%	179 133%	77 133%	81 133%
5	2,461 139%	739 151%	715 121%	256 121%	103 121%	141 167%	88 153%	223 167%	96 167%	101 167%
6	2,864 161%	886 181%	798 135%	286 135%	115 135%	169 200%	106 182%	268 200%	116 200%	121 200%
7	3,158 178%	979 200%	850 143%	304 143%	122 143%	197 233%	117 203%	312 233%	135 233%	142 233%

Derivation of Costs for Minimum Living Level Three-Person Household

Food: \$489 -

Monthly Labor Review - CPI-U Component, Food and Beverage.

Contract Rent: \$592 -

DHR Shelter Cost Study, December 1980; Monthly Labor Review - plus CPI-U prorated to May 2011.

Utility: \$212 -

DHR Shelter Cost Study, December 1980; Monthly Labor Review - plus CPI-U prorated to May 2011.

Household: \$85 -

Monthly Labor Review - CPI-U Component, Household Furnishings and Operations.

Clothing/Cleaning: \$84 -

Monthly Labor Review - CPI-U Component.

Personal Care: \$58 -

Monthly Labor Review - CPI-U Component.

Transportation: \$134 -

Monthly Labor Review – CPI-U Component.

Other Family Consumption: \$58 -

Monthly Labor Review - CPI-U Component.

Medical Care: \$61 -

Monthly Labor Review - CPI-U Component.

TABLE 5

TCA & FSP MAXIMUM GRANTS, FFY 2012

In Federal Fiscal Year (FFY) 2012, which begins October 2011, the combined maximum TCA & FSP grants will remain at **\$1,100**. Together, the maximum grants equal **62.0%** of the **FY 2012 MLL**, which is **\$1,773**.

The maximum Food Supplement Program benefit for a household of 3 persons increased will remain at **\$526** for FY 2012.

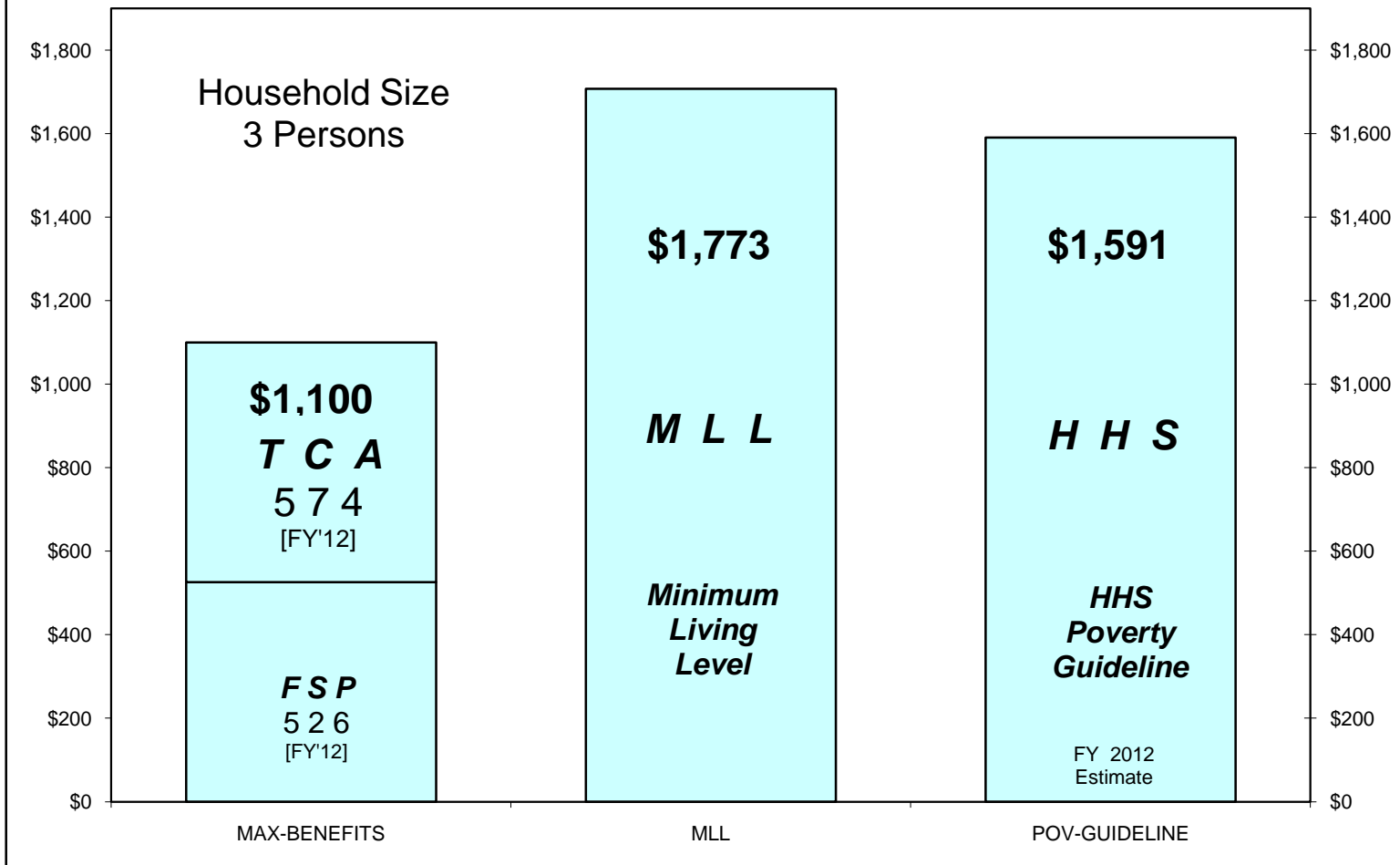
The maximum TCA benefit for a family of three will remain at **\$574** for FY 2012.

ATTACHMENTS

FIP Schedule: The updated maximum benefits for all TCA household sizes, effective October 1, 2011 are presented in the **FIP Schedule**. Except for the effective dates, the FY 2011 and FY 2012 FIP schedules are identical.

History of Maximum Allowable Payments: The chart shows the maximum allowable grants for both TCA and FSP for FFY 2002 through FFY 2012. The table shows the grants for households of one through five persons, inclusive.

Table 5 TCA & FSP MAXIMUM GRANTS, FFY 2012



FY 2012 FIP Schedules

Effective: October 1, 2011

Household Size	Allowable Payment	Increase Over FY 2011	Allowable Payment Room & Board Schedule	Total Children With One Caretaker
1	\$259	\$0		
2	453	0	\$453	1
3	574	0	574	2
4	695	0	695	3
5	805	0	805	4
6	885	0	885	5
7	995	0	995	6
8	1095	0	1095	7
9	1182	0	1182	8
10	1278	0	1278	9
11	1394	0	1394	10
12	1459	0	1459	11
13	1549	0	1549	12
14	1639	0	1639	13
15	1733	0	1733	14
16	1846	0	1846	15

TCA & FS: HISTORY of MAXIMUM ALLOWABLE PAYMENTS

	FFY 2002	FFY 2003	FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008	FFY 2009	FFY 2010	FFY 2011	FFY 2012
TCA/FSP Max	828	839	848	875	889	957	991	1,037	1100	1100	1100
MLL	1356	1374	1406	1460	1517	1569	1624	1700	1708	1726	1773
Pct of MLL	61.1%	61.1%	60.3%	59.9%	58.6%	61.0%	61.0%	61.0%	64.4%	63.7%	62.0%

For Household of 3

		FFY 2002	FFY 2003	FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008	FFY 2009	FFY 2010	FFY 2011	FFY 2012
1	TCA	210	211	213	216	220	247	255	259	259	259	259
1	FSP	135	139	141	149	152	155	162	176	200	200	200
1	TOTAL	345	350	354	365	372	402	417	435	459	459	459
2	TCA	372	373	376	380	386	433	446	453	453	453	453
2	FSP	248	256	259	274	278	284	298	323	367	367	367
2	TOTAL	620	629	635	654	664	717	744	776	820	820	820

3	TCA	472	473	477	482	490	549	565	574	574	574	574
		<u>+13</u>	<u>+1</u>	<u>+4</u>	<u>+5</u>	<u>+8</u>	<u>+59</u>	<u>+16</u>	<u>+9</u>	<u>+0</u>	<u>+0</u>	<u>+0</u>
3	FSP	356	366	371	393	399	408	426	463	526*	526	526
		<u>+15</u>	<u>+10</u>	<u>+5</u>	<u>+22</u>	<u>+6</u>	<u>+9</u>	<u>+18</u>	<u>+37</u>	<u>+63</u>	<u>+0</u>	<u>+0</u>
3	TOTAL	828	839	848	875	889	957	991	1,037	1,100	1,100	1,100

4	TCA	570	572	577	583	592	664	684	695	695	695	695
4	FSP	452	465	471	499	506	518	542	588	668	668	668
4	TOTAL	1,022	1,037	1,048	1,082	1,098	1,182	1,226	1,283	1,363	1,363	1,363
5	TCA	660	662	668	675	686	769	792	805	805	805	805
5	FSP	537	553	560	592	601	615	643	698	793	793	793
5	TOTAL	1,197	1,215	1,228	1,267	1,287	1,384	1,435	1,503	1,598	1,598	1,598

* ARRA increase effective 04/2009