

# MARYLAND

Department of Human Resources

*Brenda Donald, Secretary*

*ESTIMATED  
MINIMUM LIVING LEVELS  
for  
TEMPORARY CASH ASSISTANCE  
CUSTOMERS*

Updated Through  
**FISCAL YEAR 2010**

***ESTIMATED MINIMUM LIVING LEVELS***

for

***TEMPORARY CASH ASSISTANCE CUSTOMERS***

Updated Through

***FISCAL YEAR 2010***

***Department of Human Resources***

Brenda Donald, Secretary

***Family Investment Administration***

Kevin M. McGuire, Executive Director

INQUIRIES TO :  
**VINCE KILDUFF**  
Office of Programs  
410- 767- 7187

## **TABLE of CONTENTS**

<i>Background</i> .....	<b>1</b>
<i>Methodology</i> .....	<b>1</b>
<b>Table 1</b> MINIMUM LIVING LEVEL FOR A TCA HOUSEHOLD OF THREE, ( FY 1982 - FY 2010 ) .....	<b>3</b>
<b>Table 2</b> COMPONENTS OF MINIMUM LIVING LEVELS FOR A TCA HOUSEHOLD OF THREE, ( FY 1982 - FY 2010 ) .....	<b>4</b>
<b>Table 3</b> FY 2010 MINIMUM LIVING LEVELS FOR TCA BY HOUSEHOLD SIZE AND COMPOSITION .....	<b>6</b>
<b>Table 4</b> COMPONENTS OF FY 2010 MINIMUM LIVING LEVELS FOR VARIOUS HOUSEHOLD SIZES .....	<b>7</b>
<b>Table 5</b> TCA & FOOD SUPPLEMENT PROGRAM MAXIMUM GRANTS, FFY 2010 TCA / FSP Combined Maximum Benefits ; the Minimum Living Level ; and the estimated HHS Poverty Guideline .....	<b>10</b>
<b>FIP Schedule</b> TCA MAXIMUM GRANTS, FFY 2010 for all Household Sizes.....	<b>11</b>
<b>History of Maximum Allowable Grants</b> FFY 2001 - FFY 2010 TCA and FSP Maximum Allowable Grants for Household Sizes 1 - 5 .....	<b>12</b>

## ESTIMATED MINIMUM LIVING LEVEL

### *Fiscal Year 2010 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 2009, the average has declined to 2.46 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 2010.

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 2010. 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 2010 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 2010, 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 29 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 2010 update, the percentage increases of the CPI-U components are projected through June 2010. The projected percentage increases are applied to the nine elements from the FY 2009 Minimum Living Level.

### **TABLE 1 and TABLE 2**

#### **Minimum Living Level: TCA Household of Three**

Table 1 presents the FY 1980 - FY 2010 Minimum Living Level estimates for a TCA Household of Three.

Table 2 presents the component values of the FY 1980 - FY 2010 Minimum Living Level estimates.

**TABLE 1**

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

S O U R C E	Fiscal Year	TOTAL
Governor's Commission Report (FAMILY OF FOUR)	FY '80	<b>600</b>
<b>Commission Report - Prorated</b> (FAMILY OF THREE)	<b>FY '80</b>	<b>504</b>
Updated Minimum Living Level	FY '81	---
Updated Minimum Living Level	FY '82	585
Updated Minimum Living Level	FY '83	614
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
<b>Updated Minimum Living Level</b>	<b>FY 2010</b>	<b>1,708</b>

**TABLE  
2**

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

<b>Fiscal Year</b>	<b>TOTAL</b>	<b>Food</b>	<b>Contract Rent</b>	<b>Utility</b>	<b>H'Hold Furnishin g</b>	<b>Clothing and Cleaning</b>	<b>Personal Care</b>	<b>Transport</b>	<b>Other Family Consump</b>	<b>Medical Care [ One Adult  ]</b>
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 '03	1,374	378	466	133	86	82	48	93	45	43
FY '04	1,406	382	480	141	86	81	49	96	46	45
FY '05	1,460	402	496	152	85	82	50	99	47	47
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	56	125	54	55
<b>FY 2010</b>	<b>1,708</b>	<b>470</b>	<b>590</b>	<b>199</b>	<b>88</b>	<b>84</b>	<b>57</b>	<b>107</b>	<b>56</b>	<b>57</b>

**TABLE 3 and TABLE 4**  
**FY 2010 Minimum Living Levels**  
**for Various Household Sizes and Household Compositions**

Table 3 summarizes the FY 2010 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 ( $\$1,708 / 3 = \$569$ ) minus the adult dental ( $\$12$ ) minus 33% of Rent/Utilities ( $\$789 / 3 = \$263$ ). This equals **\$294**. 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 **\$89**.

For the child-only cases, the estimate per child equals **\$383**, ( $294 + 89$ ). 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, **\$279**.

Table 4 presents the values for the nine components of the FY 2010 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 2010 Minimum Living Levels  
for Temporary Cash Assistance  
by Household Size and Composition*

Household Size	Parent Headed Family	T C A Child Only
1	\$970	<b>\$383</b>
2	\$1,305	\$766
<b>3</b>	<b>\$1,708</b>	\$1,149
4	\$2,029	\$1,532
5	\$2,361	
6	\$2,745	
7	\$3,024	
Each Add'l	<b>\$279</b>	

TABLE 4

**COMPONENTS OF FY 2010 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	<b>970</b> 57%	179 38%	449 76%	151 76%	67 76%	28 33%	22 38%	36 33%	19 33%	19 33%
2	<b>1,305</b> 76%	328 70%	494 84%	167 84%	74 84%	56 67%	40 71%	71 67%	37 67%	38 67%
<b><u>3</u></b>	<b><u>\$1,708</u></b> 100%	<b><u>\$470</u></b> 100%	<b><u>\$590</u></b> 100%	<b><u>\$199</u></b> 100%	<b><u>\$88</u></b> 100%	<b><u>\$84</u></b> 100%	<b><u>\$57</u></b> 100%	<b><u>\$107</u></b> 100%	<b><u>\$56</u></b> 100%	<b><u>\$57</u></b> 100%
4	<b>2,029</b> 119%	597 127%	641 109%	216 109%	96 109%	112 133%	73 128%	143 133%	75 133%	76 133%
5	<b>2,361</b> 138%	709 151%	712 121%	240 121%	106 121%	140 167%	87 153%	178 167%	93 167%	95 167%
6	<b>2,745</b> 161%	851 181%	795 135%	268 135%	119 135%	168 200%	104 182%	214 200%	112 200%	114 200%
7	<b>3,024</b> 177%	941 200%	847 143%	286 143%	126 143%	196 233%	115 203%	250 233%	131 233%	133 233%

## **Derivation of Costs for Minimum Living Level Three-Person Household**

**Food: \$470 -**

Monthly Labor Review - CPI-U Component. For comparison, the USDA maximum Food Supplement Program (FSP) benefits for a three person household is \$ 526 per month, effective April 1, 2009.

**Contract Rent: \$590 -**

DHR Shelter Cost Study, December 1980; Monthly Labor Review - plus CPI-U prorated to June 2010.

**Utility: \$199 -**

DHR Shelter Cost Study, December 1980; Monthly Labor Review - plus CPI-U prorated to June 2010.

**Household Furnishings and Operations: \$88 -**

Monthly Labor Review - CPI-U Component.

**Clothing/Cleaning: \$84 -**

Monthly Labor Review - CPI-U Component.

**Personal Care: \$57 -**

Monthly Labor Review - CPI-U Component.

**Transportation: \$107 -**

Monthly Labor Review – CPI-U Component.

**Other Family Consumption: \$56 -**

Monthly Labor Review - CPI-U Component.

**Medical Care: \$57 -**

Monthly Labor Review - CPI-U Component.

## TABLE 5

### TCA & FSP MAXIMUM GRANTS, FFY 2010

In Federal Fiscal Year (FFY) 2010, which begins October 2009, the combined maximum TCA & FSP grants will remain at **\$1,100**. Together, the maximum grants equal **64.4%** of the **FY 2010 MLL**, which is **\$1,708**.

Effective April 1, 2009, the maximum Food Supplement Program benefit for a household of 3 persons increased by \$63 from \$463 to **\$526**. The American Recovery and Reinvestment Act of 2009 authorized this interim increase of 13.6%.

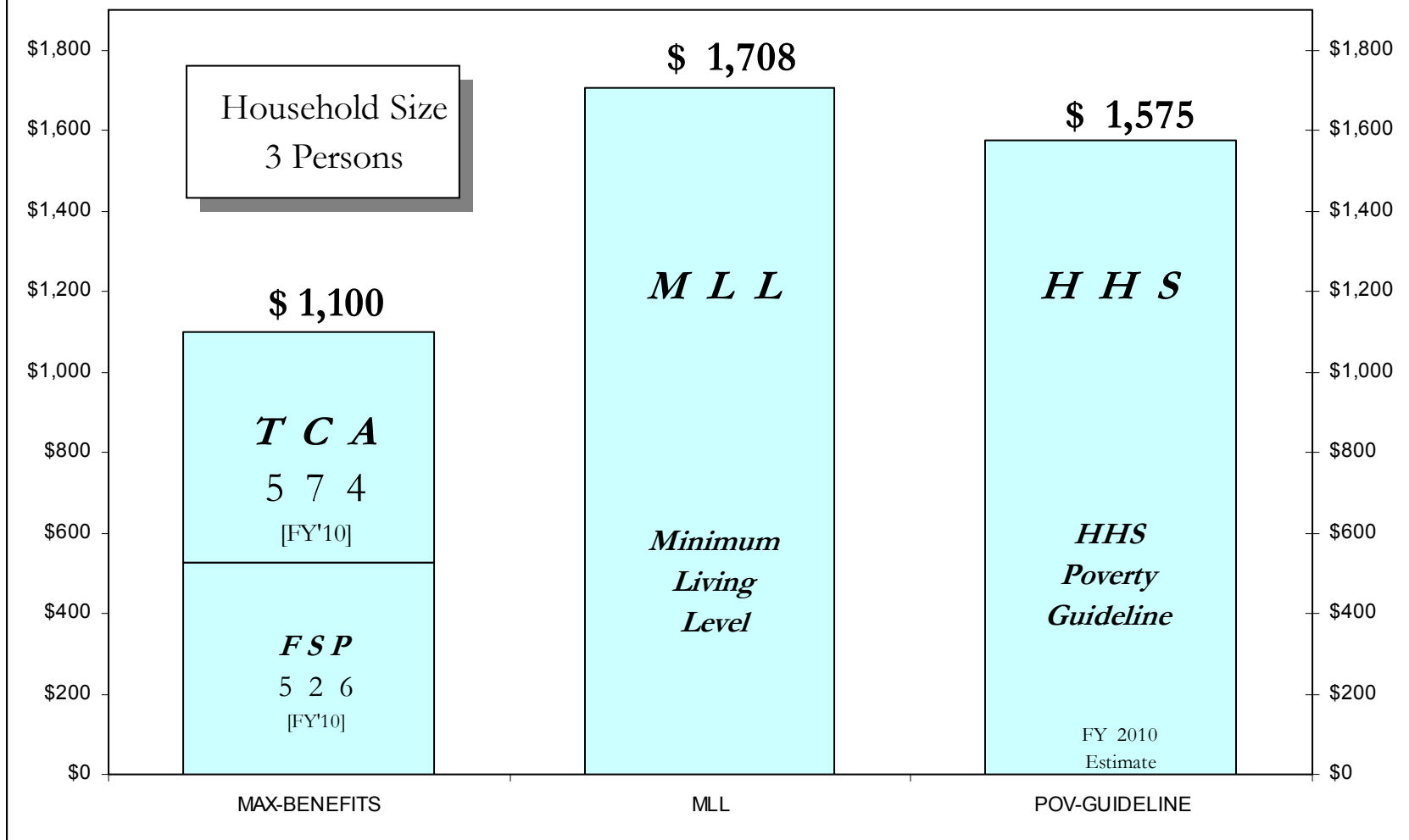
The maximum TCA benefit for a family of three will remain at **\$574** for FY 2010.

## ATTACHMENTS

**FIP Schedule:** The updated maximum benefits for all TCA household sizes, effective October 1, 2009 are presented in the FIP Schedule. Except for the effective dates, the FY 2009 and FY 2010 FIP schedules are identical.

**History of Maximum Allowable Payments:** The chart shows the maximum allowable grants for both TCA and FSP for FFY 2001 through FFY 2010. The table shows the grants for households of one through five persons, inclusive.

**Table 5 TCA & FSP MAXIMUM GRANTS, FFY 2010**



## FY 2010 F I P Schedules

Effective: October 1,  
2009

Household Size	Allowable Payment	Increase Over FY 2009	Allowable Payment Room & Board Schedule	Total Children With One Caretaker
1	\$259	\$4		
2	453	7	\$453	1
<b>3</b>	<b>574</b>	<b>0</b>	<b>574</b>	<b>2</b>
4	695	11	695	3
5	805	13	805	4
6	885	14	885	5
7	995	16	995	6
8	1095	17	1095	7
9	1182	19	1182	8
10	1278	20	1278	9
11	1394	22	1394	10
12	1459	23	1459	11
13	1549	24	1549	12
14	1639	26	1639	13
15	1733	27	1733	14
16	1846	29	1846	15

## T C A & F S : HISTORY of MAXIMUM ALLOWABLE PAYMENTS

For H\Hld=3

	FFY 2001	FFY 2002	FFY 2003	FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008	FFY 2009	FFY 2010
<b>TCA\FSP Max</b>	<b>780</b>	<b>828</b>	<b>839</b>	<b>848</b>	<b>875</b>	<b>889</b>	<b>957</b>	<b>991</b>	<b>1037</b>	<b>1100</b>
<b>MLL</b>	<b>1278</b>	<b>1356</b>	<b>1374</b>	<b>1406</b>	<b>1460</b>	<b>1517</b>	<b>1569</b>	<b>1624</b>	<b>1700</b>	<b>1708</b>
<b>Pct of MLL</b>	<b>61.0%</b>	<b>61.1%</b>	<b>61.1%</b>	<b>60.3%</b>	<b>59.9%</b>	<b>58.6%</b>	<b>61.0%</b>	<b>61.0%</b>	<b>61.0%</b>	<b>64.4%</b>

HHld & Prog		FFY 2001	FFY 2002	FFY 2003	FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008	FFY 2009	FFY 2010
1	<b>TCA</b>	195	210	211	213	216	220	247	255	259	259
1	<b>FSP</b>	130	135	139	141	149	152	155	162	176	200
<b>1</b>	<b>TOTAL</b>	<b>325</b>	<b>345</b>	<b>350</b>	<b>354</b>	<b>365</b>	<b>372</b>	<b>402</b>	<b>417</b>	<b>435</b>	<b>459</b>
2	<b>TCA</b>	346	372	373	376	380	386	433	446	453	453
2	<b>FSP</b>	238	248	256	259	274	278	284	298	323	367
<b>2</b>	<b>TOTAL</b>	<b>584</b>	<b>620</b>	<b>629</b>	<b>635</b>	<b>654</b>	<b>664</b>	<b>717</b>	<b>744</b>	<b>776</b>	<b>820</b>

<b>3</b>	<b>TCA</b>	<b>439</b>	<b>472</b>	<b>473</b>	<b>477</b>	<b>482</b>	<b>490</b>	<b>549</b>	<b>565</b>	<b>574</b>	<b>574</b>
		<u>+22</u>	<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>
<b>3</b>	<b>FSP</b>	<b>341</b>	<b>356</b>	<b>366</b>	<b>371</b>	<b>393</b>	<b>399</b>	<b>408</b>	<b>426</b>	<b>463</b>	<b>526</b>
		+6	+15	+10	+5	+22	+6	+9	+18	+37*	+63**
<b>3</b>	<b>TOTAL</b>	<b>780</b>	<b>828</b>	<b>839</b>	<b>848</b>	<b>875</b>	<b>889</b>	<b>957</b>	<b>991</b>	<b>1,037</b>	<b>1,100</b>

4	<b>TCA</b>	530	570	572	577	583	592	664	684	695	695
4	<b>FSP</b>	434	452	465	471	499	506	518	542	588	668
<b>4</b>	<b>TOTAL</b>	<b>964</b>	<b>1,022</b>	<b>1,037</b>	<b>1,048</b>	<b>1,082</b>	<b>1,098</b>	<b>1,182</b>	<b>1,226</b>	<b>1,283</b>	<b>1,363</b>
5	<b>TCA</b>	614	660	662	668	675	686	769	792	805	805
5	<b>FSP</b>	515	537	553	560	592	601	615	643	698	793
<b>5</b>	<b>TOTAL</b>	<b>1,129</b>	<b>1,197</b>	<b>1,215</b>	<b>1,228</b>	<b>1,267</b>	<b>1,287</b>	<b>1,384</b>	<b>1,435</b>	<b>1,503</b>	<b>1,598</b>

\* In effect 10/2008 -  
03/2009

\*\* ARRA increase effective 04/2009