



Department of Human Resources  
311 West Saratoga Street  
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## FIA INFORMATION MEMO

Control Number: #12-07

Effective Date: October 1, 2011

Issuance Date: September 14, 2011

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

**FROM: ROSEMARY MALONE, EXECUTIVE DIRECTOR**

**RE: FOOD SUPPLEMENT PROGRAM (FSP) MASS CHANGES  
OCTOBER 2011**

**PROGRAM AFFECTED: FOOD SUPPLEMENT PROGRAM**

**ORIGINATING OFFICE: OFFICE OF PROGRAMS**

### **SUMMARY:**

Each August, the United States Department of Agriculture (USDA) publishes the updated standards for income and deductions for the next federal fiscal year. Effective October 1, 2011, the income standards and standard deductions for the Food Supplement Program (FSP) increased for all household sizes. Secondly, the FSP excess shelter deduction increased slightly to **\$459**. Finally, the resource standard for households with an elderly or disabled customer increased from \$3,000 to **\$3,250**. The maximum and minimum food supplement allotments remain at the April 2009 levels. CARES automatically generates customer notices for increases and decreases at the time of the mass change in September.

### **ACTION REQUIRED:**

Attached are the updated income and standard deduction and resources FSP manual pages reflecting the new standards effective October 1, 2011. Please replace previous Food Supplement Program manual pages with the attached manual pages.

**Reminder:** The homeless shelter deduction **remains at \$143**. Households in which all members are homeless, but who do not receive free shelter, qualify for the standard homeless shelter deduction of \$143.

**Note:** Use actual shelter expenses, rather than the homeless shelter deduction, if the actual shelter costs result in an excess shelter deduction that is higher than the \$143 homeless deduction.

Although the maximum benefit amounts did not change, the allotment may change because of the changes in the deductions. Food supplement benefit and new recoupment amounts do not require action by the case manager. The only exceptions are recoupment cases when the payment plan source is grant reduction (GR) or court order (CO). CARES generates a report identifying these cases. Local departments will be sent this report right after the migration. You must manually update these cases.

### **PAYMENT ACCURACY**

The changes should not affect payment accuracy. However, local departments using the manual food supplement calculation worksheets should make adjustments for the new standard deductions for calculations effective October 1, 2011.

**INQUIRIES:** Please direct FSP policy questions to Rick McClendon at 410-767-7307 or [rmcclend@dhr.state.md.us](mailto:rmcclend@dhr.state.md.us).

#### Attachments

FSP Manual Section 600 Pages 1 and 2

FSP Manual Section 200 Page 1

cc: DHR Executive Staff  
Constituent Services  
DHR Help Desk  
FIA Management Staff

<b>DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION</b>	<b>FOOD SUPPLEMENT PROGRAM MANUAL</b>	
STANDARDS FOR INCOME AND DEDUCTIONS	Section 600	Page 1

**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-----	\$147
Household of 4-----	\$155
Household size of 5-----	\$181
Household size of 6 or more-----	\$208
Excess Shelter Deduction-----up to	\$459
Homeless Household Shelter Allowance-----	\$143
Standard Utility Allowance (SUA)-----	\$403
Limited Utility Allowance (LUA)-----	\$244
Telephone Standard-----	\$40

\* 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.

Household Size	Col. A Maximum Gross Monthly Income* 130% of Poverty	Col. B Maximum Net Monthly Income* 100% of Poverty	Col. C Monthly Income Elderly/Disabled Separate Household* 165% of Poverty	Col. D Maximum Allotment
1	\$1180	\$ 908	\$1498	\$200
2	1594	1226	2023	367
3	2008	1545	2548	526
4	2422	1863	3074	668
5	2836	2181	3599	793
6	3249	2500	4124	952
7	3663	2818	4649	1052
8	4077	3136	5175	1202
Each Additional Member	+414	+319	+526	+150

\* 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.

DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION	FOOD SUPPLEMENT PROGRAM MANUAL	
RESOURCES	Section 200	Page 5

## 200.1 Purpose

This section describes the Food Supplement Program (FSP) resource limitations, included and excluded resources, and disqualification for certain transfers of resources.

## 200.2 General Information

Uniform resource eligibility limits must be applied to all households. The maximum allowable non-exempt resource limit is \$2,000. Households containing an elderly member (age 60 or over) or disabled member are permitted to have \$3,250 in non-exempt resources. See Food Supplement Program Manual section 212.3B 2-13 for the list of benefits that make the household eligible for the higher resource standard because of disability.

**Note:** The resource limits described above **do not apply** to categorically eligible households as described in section 115 (Categorical Eligibility) of this manual.

## 200.3 Included Resources

- A. Document a household's resources at the point of application in sufficient enough detail to permit verification. **Verify** the source, amount and frequency of all non-exempt resources.
- B. **Verify non-exempt resources at application and recertification.**
- C. The value of non-exempt resources is the equity value. The equity value is the fair market value less any amount owed on the resource.



### 200.31 Countable Resources

Consider the following when determining the value of a household's resources:

- A. Liquid resources, such as:



1. Cash on hand, and
2. Checking or savings accounts.