

E R R A T A

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: RESTORATION OF BENEFITS FOR EDUCATIONAL GRANTS AND
LOANS, PL 99-498

REFERENCE: ALL COUNTY LETTER NO. 87-98 dated July 10, 1987

This letter is to correct page 4, Calculation For Restoration Of Benefits Under Public Law 99-498, of the above referenced All County Letter. Please note that "budget month" as appeared in the third and fourth points under the second paragraph has been changed to "issuance month". In addition, we have revised the example to accurately reflect the correct method of calculation of restoration of lost benefits.

We apologize for any inconvenience this may have caused you. If you have any questions, please contact Kathie Birmingham of the AFDC and Food Stamp Policy Implementation Bureau at (916) 322-5330 or ATSS 452-5330.

Attachment

cc: CWDA

Calculation for Restoration of Benefits under Public Law 99-498

The CWD shall convert affected continuing cases at household request, at recertification, or when the case is next reviewed, whichever occurs first. Benefits will be restored back to the date of application or October 17, 1986 whichever occurred later.

Any affected household whose application was denied between October 17, 1986 and implementation of these provisions and who is otherwise entitled to benefits, shall have their benefits restored back to the date of application or October 17, 1986 whichever occurred later upon household request of a review of its case or when the CWD otherwise becomes aware that a review is needed.

- o Upon receipt of the student budget, determine the total amount of excludable income.
- o Using the new amount of excludable income above, recalculate the new monthly countable income and determine the new allotment based on that income.
- o Compare the new allotment to what was issued monthly. The difference between these amounts will be the amount of benefits to be restored each month except the October **issuance** month.
- o The amount of benefits to be restored for the October **issuance** month must be prorated based on the proration table (M.S. 63-1101.4) because the law became effective on October 17, 1986.

Example

Pell Grant for **August** through **May** \$3,800

Old method per M.S. 63-502.2c

New method per P.L.99-498

\$3,800 Grant
- 1,800 Excludable Income
(i.e., fees/tuition)
\$2,000 divided by 10 months
equals \$200 monthly
average income

\$3,800 Grant
2,700 New Total
Excludable Income
\$1,100 divided by 10
school months equals
\$110 monthly average
income

New FS Allotment =
Original FS Allotment =
Difference

\$48 (\$110 income)
21 (\$200 income)
\$27 (Restoration for all
issuance months except Oct)

Proration from Oct. 17th
October Benefits = \$13.06

x .4839
= \$13