

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



January 3, 1989

ALL COUNTY LETTER NO. 89-01

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: TREATMENT OF WORK STUDY INCOME IN THE FOOD STAMP PROGRAM

REFERENCE: ALL-COUNTY LETTER NO. 87-98 DATED JULY 1987

The USDA Food & Nutrition Service has provided a policy clarification on the treatment of work study income, which is contrary to their previous position and the policy interpretation provided in ACL No. 87-98. The new clarification specifies that work study income, minus allowable exclusions, be treated as EARNED INCOME. Therefore, effective with the 1988-89 school year all countable work study income should be given the earned income deduction.

If a household receives work study income and other educational grants and/or loans, the CWD shall apply allowable exclusions to other grants and/or loans first. Remaining exclusions, if any, should then be applied to work study income.

Since most households receive fluctuating work study income each month, the CWD shall subtract exclusions from the income as it is received monthly and count remaining work study income as earned income only when the exclusions have been exhausted. The portion of work study income excluded under M.S. 63-502.2(d) or (f) shall not be included for purposes of computing the earned income deduction (M.S. 63-502.32).

Please direct any questions regarding this notice to Kathie Birmingham of the AFDC and Food Stamp Policy Implementation Bureau at (916) 322-5330 or ATSS 452-5330.


ROBERT A. HOREL
Deputy Director

cc: CWDA