

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



July 31, 1990

All-COUNTY LETTER NO. 90-70

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY GAIN COORDINATORS

SUBJECT: GREATER AVENUES FOR INDEPENDENCE (GAIN) TREATMENT OF
EDUCATIONAL FINANCIAL AID

REFERENCE: ALL-COUNTY LETTER 86-125 and 89-103

The purpose of this letter is to clarify how to treat educational financial aid when determining the GAIN participant's need for supportive services payments. This letter responds to concerns expressed by Western Center on Law and Poverty, Legal Services of Northern California and the Coalition of California Welfare Rights Organizations Inc., that some Counties have practices that do not have State statutory or regulatory authority.

The Manual of Policies and Procedures (MPP) Section 42-750.1 provides that "GAIN supportive services shall be provided to GAIN registrants to enable them to participate in GAIN activities. Participation shall not be required if the needed services are not available, not arranged, or are insufficient to meet the participant's needs." To the extent that other resources are available for the same purpose as those provided by GAIN, those resources should be considered. As stated in ACL 86-125, dated December 6, 1986, "Participants should be encouraged to apply for financial assistance from other sources when attending school under GAIN. However, there is currently no authority to require it. If a participant does receive financial aid through other sources, GAIN funds would be used to cover or supplement services not provided by the other source." Where the participant indicates or agrees that supportive services needs are met or reduced by receipt of educational financial aid, Counties shall authorize supportive services to meet any remaining need.

In authorizing and paying for necessary GAIN supportive services, Counties may not consider student financial aid funds unless the student agrees that the funds are actually available. Student aid funds which have been expended or will be expended for expenses not covered by GAIN are not available. Only if the participant agrees that student aid funds are actually available to cover specific expenses which otherwise would be paid for by GAIN may the County consider these funds in determining payment for GAIN supportive services.

For example, expenses not covered by GAIN under GAIN regulations or specifically limited by the County's plan might include room and board, child care during study time, transportation to non-classroom school activities, or ancillary expenses or books allowable under MPP Section 42-750.4.

Some Counties have negotiated agreements with the educational institutions providing GAIN services whereby each agency agrees to provide funds for specific supportive services. For example, the local community college agrees to develop student budgets for GAIN students to provide transportation, books and school supplies and the County agrees to provide child care payments in accordance with the provisions of MPP Section 42-750. Arrangements such as these are allowable. Participants should be provided with copies of such agreements upon request.

However, even if the County and the educational institution enter into an agreement, the County still must determine participant supportive services needs based on individual circumstances. If a participant indicates that the grant funds received are not available then the County must provide the supportive services necessary to participate in the GAIN activity. No verification of unavailability is required. Counties must document the student's agreement that financial aid funds are available before considering financial aid in determining GAIN supportive services.

Loans (e.g., Guaranteed Student Loans) are exempt from consideration because the student is under financial obligation to repay these debts. Additionally, any funds received by a student under Student Work Study Programs are exempt from consideration because students are required to work in return for these funds.

Based on the requirements described above, Counties must:

- o Discontinue any practices which treat GAIN supportive services payments as a loan to be repaid upon receipt of financial aid.
- o Not reduce or deny GAIN supportive services solely based on the fact that a participant receives financial aid without first determining the availability of those funds to meet the participant's needs.
- o Provide notices of action in accordance with ACL 89-103 to inform participants of any changes in supportive services authorizations due to consideration of available financial aid.

If you have questions regarding this letter or additional questions regarding the treatment of educational financial aid treatment in GAIN, please contact your GAIN and Employment Services Operations analyst at (916) 324-6962.

A handwritten signature in cursive script, appearing to read "D. J. Boyle".

DENNIS J. BOYLE
Deputy Director

cc: CWDA