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

REASON FOR THIS TRANSMITTAL

[ ] State Law Change
[X] Federal Law Change
[ ] Court Order or Settlement Agreement
[ ] Clarification Requested by One or More Counties
[ ] Initiated by CDSS

August 11, 1993

ALL COUNTY LETTER NO. 93-57

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: STUDENT ASSISTANCE PROGRAMS (Public Law 102-325)

This letter is to provide the County Welfare Departments (CWDs) with information concerning the Food and Nutrition Service's (FNS's) Administrative Notices 93-49 and 93-50, dated June 11, 1993.

Administrative Notice 93-49 transmits information regarding the Public Law 102-325 which provides for the exclusion of all educational income received under federal Title IV and from the Bureau of Indian Affairs (BIA) for award years beginning on or after July 1, 1993. Therefore, all federal Title IV and BIA educational income must be excluded in its entirety if it is awarded to students for school periods beginning on or after July 1, 1993.

The treatment for federal non-Title IV and non-federal educational assistance as an income exclusion remains the same.

**FNS has instructed the states not to wait for federal regulations. Therefore, effective September 1, 1993 CWDs must apply these new provisions for all new applications.**

For continuing cases and any households entitled to restored benefits, this provision shall be implemented and appropriate restoration of benefits made upon request by the household, at recertification, when the case is next reviewed, or when the CWD becomes aware that a review is needed, whichever occurs first. These benefits should be restored back to July 1, 1993.

In addition, Administrative Notice 93-50 provides information regarding students who are attending high school or a training school. These instructions were omitted inadvertently from FNS' implementation guidance for the 1990 Farm Bill (Public Law 101-624). This Administrative Notice allows certain expenses as an income exclusion from educational assistance payments for students attending high school or additional training programs. The student must be enrolled in a vocational education program or in a program that provides for completion of a secondary school diploma or obtaining the equivalent. Previously, only students who were attending a post-secondary educational institution or a school for the handicapped were allowed these educational income exclusions.

**Effective September 1, 1993, CWDs must apply this provision for all new applications.** As stated, this change was omitted in error from the federal implementation guidelines. The provision should have been implemented on February 1, 1992. Retroactive benefits must be restored back to that date. Educational assistance payments for these two new categories of students shall be permitted as income exclusions if the assistance is earmarked for or intended to be used for educational expenses, as specified in 63-502.2(e), except for that portion of the assistance payment which is earmarked or intended for living expenses. Monies earmarked or used for living expenses must be counted as income to the student.

For continuing cases and any households entitled to restored benefits, these provisions shall be implemented and appropriate restoration of benefits made upon request by the household, at recertification, when the case is next reviewed, or when the CWD becomes aware that a review is needed, whichever occurs first.

If you have any questions, please call Maria Tarango, Food Stamp Program Bureau at (916) 654-1883.

Donna L. Mendelton for

MICHAEL C. GENEST
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Welfare Programs Division