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

January 11, 1994

ALL-COUNTY LETTER NO. 94-02

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL

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

SUBJECT: STUDENT ASSISTANCE GRANTS AND LOANS (Public Law 102-325)

REFERENCE: MPP 44-111.43 Loans and Grants

This letter is to provide the County Welfare Departments (CWDs) with information concerning the Administration for Children and Families Action Transmittal (AT) 93-8 dated May 3, 1993. AT 93-8 transmits information regarding Public Law 102-325 which provides for the exclusion of all student financial assistance received under the programs in Title IV of the Higher Education Act, or under the Bureau of Indian Affairs (BIA) student financial assistance programs effective July 1, 1993.

Initial analysis of the AT indicated that California already met this mandate as current regulations already exempt these loans and grants for undergraduate students. However, further information was received recently that indicates some of these loans and grants might be awarded to graduate students. Existing regulations do not exempt such financial assistance received by graduate students. Therefore, all federal Title IV and BIA student financial assistance for both undergraduate and graduate students shall be excluded for school periods beginning on or after July 1, 1993. While counties should implement this change immediately, please note that emergency regulations are in process and will be issued in the near future.

For continuing cases, this provision shall be implemented upon request of the assistance unit, at redetermination or as the CWD becomes aware of such cases. Application of the exemption shall be made as far back as appropriate but no earlier that July 1, 1993.

Some examples of student financial assistance authorized by Title IV of the Higher Education Act and under the Bureau of Indian Affairs student assistance programs are:

- Pell Grants
- Supplemental Educational Opportunity Grants
- State Student Incentive Grants
- College Work-Study
- Perkins Loans (formerly National Direct Student Loans)
- Guaranteed Student Loans (including PLUS loans and Supplemental Loans for Students)
- Bureau of Indian Affairs Higher Education Grant
- Indian Health Service Scholarship Program

If you have any questions, please contact Jane Laciste of the AFDC Policy Implementation Bureau at (916) 654-1047.

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