



CDSS

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DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

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EDMUND G. BROWN JR.
GOVERNOR

August 22, 2012

ALL COUNTY INFORMATION NOTICE NO. I-38-12

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS
ALL COUNTY CALFRESH SPECIALISTS
ALL COUNTY REFUGEE COORDINATORS
ALL COUNTY CONSORTIUM PROJECT MANAGERS

REASON FOR THIS TRANSMITTAL

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

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) PROGRAM: TREATMENT OF STUDENT FINANCIAL AID WHEN DETERMINING CALWORKS ELIGIBILITY AND NEW NOTICE OF ACTION (NOA) FOR STUDENT FINANCIAL AID

REFERENCE: MANUAL OF POLICIES AND PROCEDURES (MPP)
SECTIONS 44-111.4, 44-111.43 to 44-111.437,
ALL COUNTY LETTER (ACL) 87-43

The purpose of this notice is to remind County Welfare Departments (CWDs) of the policy regarding treatment of financial aid when determining CalWORKs eligibility and calculating the amount of cash aid. This letter also releases a new Notice of Action (NOA) message to be used for recipients reporting a change in income due to student financial aid.

CalWORKs rules currently exclude most educational grants, loans, and scholarships from consideration as income when determining the eligibility and grant amount for CalWORKs (MPP Section 44-111.43 to 44-111.437). Portions of the grant, loan or scholarship that are used to cover the attendance costs of a student attending school on at least a half-time basis, as defined by the institution is excluded in CalWORKs computations for determining eligibility and calculating the amount of cash aid. Attendance costs are defined as tuition, fees, rental or purchase of required equipment, materials or supplies, books, transportation, dependent care and miscellaneous personal educational expenses.

The necessary costs of transportation to and from school shall be allowed based on the mode most economically available and feasible in the particular circumstances. If it is determined that personal car usage meets the criteria above, all actual transportation costs will be prorated based on the percentage of miles driven to and from school to

total miles driven. Allowable transportation costs for the use of a personal car for school attendance purposes include car payments, car insurance, car registration, parking fees and gasoline. The student must appropriately document his or her educational expenses to receive this exemption.

If the student financial aid monies are used to meet current needs not associated with school attendance costs, that portion is treated as income in the month received and any remaining portion as a resource in the following months.

Educational loans, grants, and scholarships that are excluded under the CalWORKs rules (MPP Section 44-111) include:

- Loans and grants received under the Carl D. Perkins Vocational and Applied Technology Education Act.
- Loans and grants received under Title IV of the Higher Education Act or under the Bureau of Indian Affairs student assistance program even if the loan or grant is only partially funded under this Act or program, such as:
 - Pell Grants
 - Carl D. Perkins Loans (this differs from the financial assistance under the Carl D. Perkins Vocational Act)
 - Robert C Byrd Honors Scholarship Program
 - Paul Douglas Teacher Scholarship Program
 - State Student Incentive Grants (Cal Grants)
 - Any College Work Study Program
 - Income Contingent Loan (ICL) Program
 - Bureau of Indian Affairs Higher Education Grant
 - Indian Health Service Scholarship Program
 - Supplemental Educational Opportunity Grant Program
 - National Science Scholars Program
 - Federal Family Education (FFEL) Program
 - Guaranteed Student Loan (GSL) Program
 - Stafford Loan Program
 - Consolidation Loan Program
 - Supplemental Loans for Students (SLS) Program
 - Parent Loans for Students (PLUS) Program
- Any other grant to any undergraduate student for educational purposes made or insured under any program administered by the Federal Secretary of Education.
- Educational grants to undergraduate students when awarded on the basis of need. The recipient of such grants shall provide a certification from the official at the student's school (preferably the Financial Aid office) concerning the student's eligibility for this income exemption. The certification must state that the award is based on need and that the Public Assistance grant was considered in making the award.

CW 2200 AND NOTICE OF ACTION MESSAGE - M44-113H (8/12)

If documentation has not been provided at the time the recipient reports receipt of the student financial aid, the CW 2200 is sent to the recipient requesting verification of how the money was or will be used in order for CWDs to determine the amount of student financial aid that can be excluded. The student must document their educational expenses and provide written verification of the financial aid award from the educational institution (MPP 44-111.435(b) and 44-111.437(a)(1)(2)).

If no verification is provided, the money is counted as income in the month received and NOA Message M44-113H (8/12) is sent to the recipient using the NA 200 or the NA 1239 to inform the recipient of the change in the amount of cash aid.

CAMERA READY COPIES OF FORMS

For a camera-ready copy in English, contact the Forms Management Unit at fmudss@dss.ca.gov. If your office has internet access, you may obtain these forms from the CDSS webpage http://www.cdss.ca.gov/cdssweb/FormsandPu_271.htm .

If you have any questions please contact your county CalWORKs program consultant or the CalWORKs Eligibility Bureau at (916) 654-1322.

Sincerely,

Original Document Signed By:

KÄREN DICKERSON, Chief
Employment and Eligibility Branch

c: CWDA

Attachments