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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 95 LCM-78

Date: July 24, 1995

Division: Economic Security

TO: Local District Commissioners

SUBJECT: Treatment of Student Grants when determining the need for Supportive Services

ATTACHMENTS: None

The purpose of this Memorandum is to inform you of a lawsuit filed against the Department concerning treatment of student grants and supportive services. It has been Department policy as explained in 92 ADM-34, dated August 31, 1992, that grants received by students for educational expenses are included when determining a student's need for supportive services such as child care or transportation. This policy has enabled districts to serve more clients with the scarce resources available.

On July 1 1993, amendments to Public Law 102-325, which revised Section 479B of the Higher Education Act, were enacted by the Federal Government. The amendments revised the treatment of educational income under Title IV of the Higher Education Act for purposes of providing JOBS, child care and supportive services benefits. Final rules implementing the law were issued on February 2, 1994 and accompanied by Federal Action Transmittal ACF-AT-94-4. The transmittal explained that federal grants under Title IV of the Higher Education Act or under the Bureau of Indian Affairs Student Assistance Programs were to be disregarded when determining the needs of clients receiving federal grants under programs such as the Aid to Families with Dependent Children (AFDC) program for supportive services when participating in the Job Opportunities and Basic Skills (JOBS) program. Federal Action Transmittal ACF-AT-93-3, however, indicated that the State should not make duplicate payments for such supportive services.

Since many colleges include amounts for child care and transportation when determining the amount of grant award to give to a student, there was confusion concerning what the Federal Government considered to be duplicate payments. The Department contacted the U.S. Department of Health and Human Services (DHHS) to request clarification of the rules for treatment of such grants.

DHHS has informed the Department that, regardless of the costs included by the college in determining the amount of the student grant, the grant is not to be counted for determining eligibility for or amount of supportive services for JOBS participants who are receiving AFDC. The exceptions are when the college retains the funds to pay for certain costs, such as tuition, or the student chooses to pay for the supportive services out of the student grant. If an AFDC JOBS participant decides to use the student grant award for other educational purposes, the Department should not take the amount of the grant into consideration when determining the need for supportive services.

Therefore, in order to follow the Federal interpretation of the statute, in the future, please disregard amounts received as student grants when determining eligibility for or amount of supportive services for AFDC JOBS participants who are attending college. A determination will have to be made by your office whether the college retained part of such grants for payment of any costs that would be covered as a JOBS supportive service. The Department will be sending more detailed instructions once the lawsuit is settled.

Patricia A. Stevens
Division of Economic Security