



Department of Human Resources  
311 West Saratoga Street  
Baltimore MD 21201

Family Investment Administration  
**ACTION TRANSMITTAL**

Control Number: #03-55

Effective Date: July 1, 2003

Issuance Date: June 19, 2003

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES  
DIRECTORS, LOCAL HEALTH DEPARTMENTS  
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT  
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF  
PURCHASE OF CHILD CARE PROGRAM ADMINISTRATORS**

**FROM: KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR  
FAMILY INVESTMENT ADMINISTRATION  
LINDA HEISNER, EXECUTIVE DIRECTOR  
CHILD CARE ADMINISTRATION  
JOSEPH E. DAVIS, EXECUTIVE DIRECTOR  
DHMH, OFFICE OF OPERATIONS AND ELIGIBILITY**

**RE: EXCLUDED INCOME – EDUCATIONAL INCOME**

**PROGRAM AFFECTED: FOOD STAMP PROGRAM, TEMPORARY CASH  
ASSISTANCE, PURCHASE OF CHILD CARE,  
MEDICAL ASSISTANCE, MARYLAND CHILDREN'S  
HEALTH PROGRAM (MCHP)**

**ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS**

**SUMMARY:**

The 2002 Farm Bill allows states to simplify the definition of income. Currently, case managers have to apply complex policy to determine if educational income is countable for food stamps and Purchase of Care (POC). Effective July 1, 2003 case managers will no longer use educational income in the food stamp or POC calculation.

Action transmittal # OPA 94-45 issued May 19, 1994 is obsolete.

**ACTION REQUIRED FOR FOOD STAMPS:**

Exclude all educational assistance. This includes all:

- ✓ Educational loans,
- ✓ Grants,
- ✓ Scholarships,
- ✓ Fellowships,

- ✓ Veteran's educational benefits
- ✓ State and federal work study

Case managers no longer need to verify the amount of a student's educational income or expenses.

**Note:** Case managers must continue to determine student status and work requirements. See section 102 in the Food Stamp Manual for an explanation of student status.

**ACTION REQUIRED FOR TCA:**

Case managers will continue to exclude the income listed in the food stamp section, without regard to whether education is listed part of the customer's Independence Plan. Please note that **all** education programs should be part of the customer's Independence Plan.

**ACTION REQUIRED FOR POC:**

Case managers will exclude the above listed educational assistance income. Please note that the education program must be an approved activity or part of the Independence Plan, or the customer is not eligible for a POC subsidy.

**ACTION REQUIRED FOR MA:**

**Medical Assistance policy related to Educational Assistance has not changed.** FAC and ABD coverage groups exclude grants or loans to an undergraduate student for educational purposes, which are made or insured under any program administered by the U.S. Department of Education. FAC and ABD also exclude the portion of educational grants, loans, scholarships, and fellowships that is designated and used solely for undergraduate and graduate educational pursuits such as tuition, books, mandatory fees, transportation to and from educational institutions, and the cost of child care while in attendance. Also excluded for FAC are work-study earnings and work-study stipends of a child under 21 years old. All other Educational Assistance is still countable for MA.

**ACTION REQUIRED FOR MCHP:**

MCHP follows Medical Assistance policy for FAC coverage groups, as stated above.

## **CARES PROCESSING PROCEDURES:**

### ***TCA and Food Stamps Procedures***

Do not enter education income data on CARES for the TCA and Food Stamp programs.

### ***MA Procedures***

Do not enter on CARES any educational assistance that is excluded for MA FAC or ABD. Following are procedures for processing MA AU's that are associated with Food Stamp AU's and have income from Educational Assistance that is countable for MA but is excluded for Food Stamps.

- Access the **UINC** screen for the household member that is receiving educational assistance.
- On **UINC**, enter "**MU – OTHER COUNTABLE MEDICAL ASSISTANCE ONLY**" in the **Source Code** field, and the amount of the educational assistance. Also enter the appropriate valid values in the **Verification** and **Frequency** fields.
- Follow normal processing procedures until you get to **CAFI and FSFI**.
- Review the **Gross Unearned Income** fields on both the **CAFI and FSFI** screens to ensure that the amount of the educational assistance is reflected correctly.
- Finalize the AU once you are satisfied with the results.

### ***MCHP Procedures***

Do not enter on CARES any educational assistance that is excluded for MA FAC.

## **CCAMIS PROCEDURES**

Do not enter any educational income on the Income Worksheet.

### **ACTION DUE:**

This policy is effective with all applications, recertifications or interim changes on or after July 1, 2003.

### **INQUIRIES:**

Please direct FS policy questions to Kay Finegan at 410-767-7939 or to Marilyn Lorenzo at 410-767-7333. Direct all TCA policy questions to Gretchen Simpson at 410-767-7937. Direct all POC policy questions to Betsy Blair at 410-767-7845. Direct questions concerning CARES processing procedures to Fern Parson at 410-767-7064. MA CARES questions may be directed to Cathy Croghan-Sturgill

at 410-238-1247. You may e-mail inquiries to any of the staff listed by entering the first initial last name @dhr.state.md.us, for example [gsimpson@dhr.state.md.us](mailto:gsimpson@dhr.state.md.us). Please direct MCHP questions to Alonzo Robinson at 410-767-3641 or e-mail [robinsona@dhmh.state.md.us](mailto:robinsona@dhmh.state.md.us).

cc: FIA Management Staff  
CCA Management Staff

Constituent Services  
DHR Help Desk

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