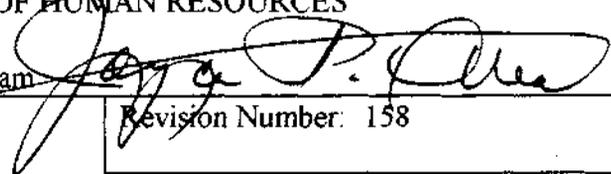


STATE OF ALABAMA
DEPARTMENT OF HUMAN RESOURCES
Montgomery, Alabama

Administrative Letter No. 7085
Date: January 9, 2004

TO DIRECTORS, COUNTY DEPARTMENTS OF HUMAN RESOURCES

FROM Joyce P. O'Neal, Director, Food Stamp Program



Revision Number: 158

TRANSMITTAL OF REVISION TO
Points of Eligibility Manual

Effective Date: February 1, 2004

TYPE OF REVISION/ACTION REQUIRED

- New Chapter Material Change to Chapter Material Other (specify)
 Update to Appendix Deletion from Appendix

UPON RECEIPT, REVIEW, IMPLEMENT, AND REVISE YOUR MANUAL.

Page/Section Number

POE Chapter 9; POE Chapter 10, pages 7 and 8; ~~POE Chapter 7, page 23~~

Subject/Description of Revision

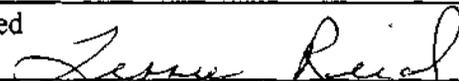
Income Exclusion for All Educational Income

Section 4102 of the Farm Bill (Farm Security and Rural Investment Act of 2002, PL 107-17) allows states the option to simplify the definition of income used in the Food Stamp Program. The statute specifically provides that states may exclude from the food stamp income determination income excluded by the state's Temporary Assistance for Needy Families (Alabama Family Assistance Program). The Food Stamp Program has elected to adopt this option effective February 1, 2004, and exclude all student financial assistance of household members enrolled at a recognized institution of post-secondary education, school for the handicapped, vocational program or a program that provides for completion of a secondary diploma or GED. Educational income (Title IV, BIA educational income, scholarships, educational grants, fellowships, any educational loan on which payment is deferred, veteran's educational benefits, and all work study, etc) is excluded from income, regardless of earmarking or use. Exclusions apply only to money specifically designated for education and not to other income available to the student such as earnings (not work-study), contributions from parents, FA, child support, etc., that may be used to pay educational expenses.

Distribution:

Points of Eligibility Manual Holders

Approved



Signature

Deputy Commissioner for Programs

Title

Date

January 12, 2004

Policy in Chapter 5 does not change. It will still be necessary to determine student status in regard to work registration and household composition. The Student Verification Form (PSD-BFA-875) may be required to determine if the household member meets the definition of a student and /or meets the criteria for an eligible student.

This policy change is effective with all applications approved on or after February 1, 2004, for the month of February. For applications with student income budgeted determined to be over the income limit prior to February 1, 2004, benefits must be denied for that time. If a household files an application in January 2004, benefits must be denied for that time. If a household files an application in January 2004, and has countable income in excess of the allowable limits, the application may be denied for January and if eligible under the new income exclusion, approved for February 2004 without a new application, provided all other points of eligibility are met. If a household files an application in January 2004 with countable educational income and is determined to be eligible, the educational income must be budgeted for January and then removed for February and thereafter.

For households already in certification, this change in policy to exclude educational income must be applied in conjunction with processing of any reported change, QR, or next recertification, whichever comes earlier.

Due to the number of pages requiring revision, Chapter 9 of P.O.E. was reprinted in its entirety to include the new policy.

Also note that we are including pages 23-24 of Chapter 7 with this revision to correct an error. When Revision 153 was issued, effective June 1, 2003, the ABAWD exemption related to a work registration exemption was accidentally omitted when the pages were renumbered and printed.

Departmental rules will be amended accordingly.

If you have questions regarding this policy, please contact the State Policy Desk following usual procedures. After you have taken action required, this letter is obsolete.