

Student Financial Aid and Welfare Benefits

I get Student Financial Aid. Can I also get Benefits?

Probably. Federal law states:

“All student financial assistance awarded under Title IV funding or under the Bureau of Indian Affairs student assistance programs shall not be taken into account in determining the need or eligibility of any person for benefits or assistance, or the amount of such benefits or assistance, under any Federal, State, or local program financed in whole or in part with Federal funds.”

This means that most students who get benefits from DSHS can also get student financial aid with little or no affect on their welfare benefits! A chart and explanations follow.

What welfare benefits does this law affect?

- TANF (Temporary Assistance to Needy Families)
- SFA (State Family Assistance, for immigrants ineligible for TANF)
- RCA (Refugee Cash Assistance)
- Washington Basic Food (formerly Food Stamps)

Note: There are separate DSHS regulations that limit when and how much higher education is approved for TANF recipients who are mandatory WorkFirst participants. Our publication called “TANF and WorkFirst for Students” has more information.

STUDENT FINANCIAL AID INCOME/RESOURCE EXCLUSIONS¹

FINANCIAL AID:

CASH ASSISTANCE:

FOOD ASSISTANCE:

Source/Type of Aid	TANF/SFA/RCA	Basic Food
1. Bureau of Indian Affairs Student Assistance Programs and Federal Title IV	Totally disregarded as income or resource.	Totally disregarded as income or resource.
2. Federal non-Title IV (Administered by Dept. of Education)	Undergraduates: totally disregarded as income or resource. Graduate Students: disregard total earmarked school expenses, then disregard the difference between the need and payment standard for any remaining school aid that duplicates the DSHS grant.	Disregard total earmarked expenses. Disregard any student expenses which exceed earmarked expenses, if verified.
3. Other educational assistance; examples: grants, scholarships, fellowships, from a federal, state, or private agency or organization.	Disregard total earmarked school expenses, and then disregard the difference between the need and payment standard.	Same as above.
4. Carl D. Perkins Vocational and Applied Technology Education Act	Disregard total aid received including tuition, fees, equipment purchase or rental, materials, books, any supplies required of student in the same course of study. For students over half-time, also disregard transportation, dependent care, and misc. personal expenses. Then, for all students, disregard the difference between the need and payment standard for any remaining school aid that duplicates the DSHS cash grant.	Same as above.
5. Loans	All bona fide (genuine, not actually gifts) loans are totally disregarded as income or resource.	For nonfederal educational loans with deferred repayment, disregard origination fees, insurance premiums, and earmarked expenses. All other loans

¹ [WAC 388-450-0015, -0035, -0055, & 388-482-0005](#)

		totally disregarded.
6. VA Educational Assistance	Disregard attendance costs.	Disregard attendance costs.
After applying 1. through 6. above, any countable student aid is budgeted as follows:	Unearned income averaged over the term of award (“term” means quarter, semester)	Unearned income averaged over the term of award
7. WorkFirst/Work Study	Disregard for cash and medical assistance.	Earned income.

What are the different types of student aid? How do they affect my DSHS cash assistance?

1. Common types of student aid from Federal Title IV and Bureau of Indian Affairs Student Assistance programs:

BIA Higher Education Grants & Fellowships
Pell Grant
Federal Supplemental Educational Opportunity Grant (FSEOG)
State Student Incentive Grant (SSIG)
State Needs Grant (SNG)
Federal TRIO programs (examples: Upward Bound, Talent Search)
Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farm work (examples: College Assistance Migrant Program, High School Equivalency Program)
Federal and State College Work Study (CWS)
Federal Stafford Loan (formerly GSL-Guaranteed Student Loan, currently Federal Family Education Loan)
Parent Loans for Undergraduate Students (PLUS)
Federal Perkins Loan (formerly NDSL-National Direct Student Loan)
BIA Higher Education Grants & Fellowships

DSHS will disregard *all* student financial aid funded in whole or in part by these grants and loans as income or a resource in determining your eligibility to get DSHS cash assistance and in determining the amount of a DSHS cash assistance grant. Most student aid is from Title IV

funds. Most students will have none of their student aid budgeted against their cash assistance.

This applies equally to both undergraduates and to graduate students.

2. Student aid from federal non-Title IV funds, administered by the Department of Education:

These are usually Title V funds for teacher education and training. Some common types of awards from the Department of Education are:

Paul Douglas Teacher Scholarship
Christa McAuliffe Fellowship Program
Robert Byrd Honors Scholarship Program

Student aid from the Department of Education is totally disregarded as income or a resource, just as Title IV funds are, but for undergraduates only.

Federal non-Title IV aid from the Department of Education is the only source of financial aid which is treated differently for graduate students than for undergraduates. When a graduate student gets financial aid from the Department of Education, DSHS takes the following steps:

First, DSHS subtracts the total amount of expenses earmarked by the school for educational needs from the total amount of all financial aid awarded to the student.

Second, if any money remains after step one, DSHS determines if any of it covers the same things that the DSHS cash assistance grant is supposed to cover. (The grant is supposed to cover current living needs like food, clothing, shelter, transportation, household maintenance, personal maintenance, and necessary incidentals.) If there is no duplication, any remaining money is disregarded.

Third, if there is any duplication, then DSHS subtracts from the remaining financial aid the difference between the need and payment standard for the applicable household size. See chart below.

Number of persons in household on grant	2012 difference between Need and Payment Standard
1	\$849.00
2	\$1,075.00
3	\$1,325.00
4	\$1,566.00
5	\$1,804.00

3. Student aid from any other source, for example grants, scholarships, fellowships, etc., from any private agency or organization, state agency or organization, or a federal source other than Title IV or V:

EXAMPLES OF OTHER SOURCES
* American Association of University Women Scholarship * Association of Government Accountants Scholarship * GE Engineering Scholarship Program for Minorities * Auxiliary of Group Health Cooperative Scholarship * WA State Trial Lawyers Association: President's Scholarship * Washington Society of Certified Public Accountants Scholarship

How is educational assistance from other sources treated?

First, DSHS subtracts the total amount of expenses earmarked by the school for educational needs from the total amount of all financial aid awarded to the student.

Second, if any money remains after step one, DSHS determines if any of it duplicates what the DSHS cash assistance is supposed to cover. (It is supposed to cover current living needs like food, clothing, shelter, transportation, household maintenance, personal maintenance, and necessary incidentals). If there is no duplication, any remaining money is disregarded.

Third, if there is any duplication, then DSHS subtracts the difference between the need and payment standard for the applicable household size. Any remainder is deducted from the cash assistance grant.

4. Loans

All bona fide loans are totally disregarded as income or a resource, regardless of their source. A loan is considered bona fide when **you must** repay the debt.

Since most student loans are from Title IV federal funds, those loans are automatically disregarded as income or a resource because of federal law. **Also**, a loan from any other source, whether it is a personal loan or one from a commercial institution (**examples:** bank or credit union) is also totally disregarded.

5. Carl D. Perkins Vocational and Applied Technology Education Act:

Do not confuse educational aid from the Carl D. Perkins Act with the Perkins Loan.

The purpose of this special Perkins money is to pay for resources that help special target groups obtain vocational skills to compete in a technological society. Examples:

- a tutor
- a career counselor
- special learning equipment
- in-service training of an academic instructor

These activities **must** directly benefit special populations. Those populations include, but are not limited to:

- single parents
- displaced homemakers
- disabled students
- students with limited English proficiency
- students with a high attrition rate
- juvenile offenders

Basically, any student who meets a definition of “disadvantaged” may qualify for help under these funds.

These funds may not appear on a list of earmarked expenses. They are often spent behind the scenes rather than awarded to you directly. When these funds are in the form of a direct award to you, they are treated as follows:

- For all students, DSHS deducts the amount earmarked for tuition, fees, equipment rental or purchase, materials, transportation, and any supplies required of students in the same course of study (example: books). Students attending over half-time receive additional deductions for dependent care and miscellaneous personal expenses.
- If any amount remains after deducting the earmarked expenses from the total amount of aid awarded, DSHS determines if any of it duplicates items the DSHS cash assistance is supposed to cover. If there is no duplication, no financial aid is budgeted against the DSHS cash assistance. If there is duplication, DSHS deducts the difference between the need and payment standard. That difference may cover some of the cost of dependent care and miscellaneous personal expenses for students attending less than half-time.

Half-time attendance is usually at least 6 credit hours per quarter. This may vary at different schools. Vocational colleges and trade and technical schools may set different half-time minimums.

How does any student aid that is not disregarded affect my DSHS cash assistance?

Federal law excludes, or disregards, most student financial aid so that it does not count against your public assistance cash grant. Any financial aid not disregarded is deducted dollar-for-dollar from DSHS cash assistance.

When figuring out cash assistance, DSHS counts student financial aid as unearned income which is averaged over the month it is intended to cover (quarter, semester).

How does DSHS treat my WorkFirst Work Study?

DSHS disregards WorkFirst Work Study income for cash and medical assistance.

How do different types of student aid affect Basic Food?

1. Student aid from federal Title IV funds or from the Bureau of Indian Affairs student assistance programs:

DSHS totally disregards all student financial aid funded in whole or in part by these sources as income or a resource in determining your eligibility to receive Basic Food and in determining the amount of your Basic Food or allotment. Since most student aid is from Title IV funds, most students will have none of their student aid budgeted against their Basic Food.

This applies equally to both undergraduates and to graduate students.

2. Student aid from federal non-Title IV funds administered by the Department of Education,

and

3. Student aid from any other source, e.g., grants, scholarships, fellowships, etc., from any private agency or organization, state agency or organization, or a federal source other than Title IV or V,

and

4. Student aid from the Carl D. Perkins Vocational and Applied Technology Education Act:

DSHS disregards all educational expenses earmarked by the school. In addition, if you have any direct student expenses which were not earmarked *and* you can verify that they are educational expenses, DSHS will disregard them also.

5. Loans:

For only non-federal educational loans with deferred repayment, DSHS deducts the origination fees, insurance premiums, and earmarked expenses. Any part of the student loan left over after these deductions will be treated as income when DSHS figures out your food stamp allotment.

For all other loans, DSHS disregards the entire loan as income or a resource when figuring out your food stamp allotment. Some examples: federal educational loans, tribal loans, and private loans.

How does any student aid that is not disregarded affect my Food Stamps?

DSHS takes the total amount of student aid, subtracts all educational related expenses earmarked by the school, and treats any remainder as unearned income. DSHS prorates any countable student aid income over the months the aid is supposed to cover.

◆ Example: The student aid is supposed to cover a three-month period. \$75 of it is countable unearned income. \$25 will be budgeted as income in each of those three months in computing the amount of food stamps you are eligible to get. If you experience additional educational expenses and can verify them, DSHS may recalculate your Basic Food benefits beginning the month after you report and verify the added expense.

How does DSHS treat my WorkFirst Work Study when it Figures Out my Food Assistance?

WorkFirst Work Study income is treated as earned income for computing Basic Food income and is given applicable deductions.

Are all students eligible for Basic Food benefits?

It depends.

A “student” is defined as someone who is:

- at least 18 but under 50,
- physically and mentally fit for employment, and
- enrolled at least half-time in an institution of higher education.

If you are a student who meets this definition, you can get Basic Food if you meet general Basic Food eligibility rules and you meet any one of the following “student qualifying” conditions (see our publication [Washington Basic Food Program – General Eligibility Rules](#)):

- You get federal or state work-study earnings, or
- You work and get paid for at least 20 hours a week, or
- You are responsible for the care of your child age 5 or under, or you have a child 6 through 11 and you lack adequate child care to work 20 hours a week or attend class or work-study, or
- You are a single parent responsible for the care of your child age 11 and under, or
- You get TANF and are participating in WorkFirst unless exempt, or
- You are participating in JTPA, food stamp employment and training.

If you have lost your student status, you do not need to meet the student qualifying conditions. You lose your student status when:

- You graduate,
- You are suspended or expelled,
- You drop out, or
- You do not intend to register for the next scheduled school term.

You keep your student status during the summer if you intend to return to school in the fall.

If you are a student and an able-bodied adult, age 18 through 50, without dependents (ABAWD), you will only get Basic Food for only 3 months in any 36-month period unless you meet one of the following conditions:

- You are exempt, or
- You are working half-time, or
- You are engaged in employment or training activities, or

- You are in a Workfare program, or
- You live in a county granted a waiver for ABAWD.

What if I need Legal Help?

- Apply online with [CLEAR*Online](http://nwjustice.org/clear-online) - <http://nwjustice.org/clear-online>
or
- Call CLEAR at 1-888-201-1014

CLEAR is Washington’s toll-free, statewide intake, advice and referral service for low-income people looking for free legal help with civil legal problems.

- Outside King County: Call 1-888-201-1014 weekdays from 9:10 a.m. until 12:25 p.m. CLEAR works with a language line to provide free interpreters as needed. If you are deaf or hard of hearing, call 1-888-201-1014 using your preferred TTY or Video relay service.
- King County: Call 211 for information and referral to a legal services provider Monday through Friday from 8:00 am – 6:00 pm. Or call (206) 461-3200, or the toll-free number 1-877-211-WASH (9274). 211 works with a language line to provide free interpreters as needed. If you are deaf or hard of hearing, call 1-800-833-6384 or 711. You will be connected to a relay operator at no cost, who will then connect you with 211. You may also find information on King County legal service providers on 211’s website: www.resourcehouse.com/win211/.
- If you are age 60 or Over: Call CLEAR*Sr. at 1-888-387-7111, regardless of your income.

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