

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
SACRAMENTO, CA 95814

June 13, 1986

TO: All County Welfare Directors
All County Administrative Officers

Letter No.: 86- 34

SUBJECT: Transportation Costs as an Allowable Deduction from
Income Received for Educational Purposes (22, CAC,
Section 50547)

This is to remind Medi-Cal Eligibility staff that, although not specifically mentioned in the current subject regulation, Department policy is that necessary transportation costs to and from school are an allowable deduction from income received for educational purposes along with those deductions which are specified in the regulation. Enclosed is a copy of the proposed amendment to Section 50547 which will clarify current Department policy regarding transportation costs. It is anticipated that the public hearing for the amendment will be scheduled for August 19, 1986.

Please ensure that your staff are aware of this policy.

If you have any questions regarding this letter please contact Ruthell Ussery at (916) 322-6238.

Sincerely,



Doris Z. Soderberg, Chief
Medi-Cal Eligibility Branch

Enclosures

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: January 1, 1987

50547. Educational Expenses.

(a) Documented educational expenses for college or similar training courses which are incurred by a beneficiary shall be deducted either from any income received for educational purposes, as defined in (b), or from any loan received for educational purposes, which is considered as property in accordance with Section 50483 (b). Such educational expenses shall be apportioned over the period of time they are intended to cover to determine the monthly deduction. Documented expenses incurred by the beneficiary include any of the following items or services necessary for school attendance:

- (1) Tuition.
- (2) Books.
- (3) Fees.
- (4) Equipment and supplies.
- (5) Special clothing needs.
- (6) Child care services.

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(7) Costs of transportation to and from school based on the mode most economically available and feasible in the particular circumstances. If it is determined that personal car usage meets this criteria, all actual transportation costs will be prorated based on the percentage of miles driven to and from school to total miles driven each month. Allowable transportation costs include, but are not limited to, car payments, car insurance and registration, and gasoline.

(b) Income for educational purposes includes, but is not limited to:

(1) Exempt student loans, grants or fellowships, as identified in Section 50533.

(2) Nonexempt student loans, grants or fellowships which do not require repayment.

(3) Social Security and Veteran's Administration payments to a child attending school which are based on a deceased or disabled parent's entitlement.

(4) Veterans Educational Assistance program payments (GI Bill).

(c) The beneficiary educational expenses shall first be deducted from the totally exempt loans or grants identified in Section 50533. Any
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remaining educational expenses shall next be deducted from other loans for educational purposes, that are considered property in accordance with Section 50483 (b), and finally from other income received for educational purposes.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code.

Reference: Sections 14005.4 and 14005.7, Welfare and Institutions Code.

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