

<h1 style="margin: 0;">ACF</h1> <p style="margin: 0;">Administration for Children and Families</p>	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration on Children, Youth and Families	
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INFORMATION MEMORANDUM [with attachments]
 Family Income Guidelines, 2003
 Definition of Income

TO: Head Start and Early Head Start Grantees and Delegate Agencies

SUBJECT: The 2003 Family Income Guidelines

INFORMATION:

Children are eligible to participate in Head Start and Early Head Start if they are from low-income families, if their families are eligible for public assistance or would potentially be eligible in the absence of child care services. The Head Start Act establishes income eligibility for participation in Head Start programs based on the poverty guidelines updated annually in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2). The attached 2003 Family Income Guidelines were published in the Federal Register on February 7, 2003 (Vol. 68, No. 26, pp. 6456-6458). The 2003 Guidelines must be used to determine eligibility for Head Start for families who are eligible because they have low incomes.

For information about determining eligibility for families who receive public assistance, please see the July 29, 1999 Program Instruction titled, "Receipt of Public Assistance and Determining Eligibility for Head Start", ACYF-PI-HS-99-06. Public assistance means participation in the TANF program (Temporary Assistance for Needy Families) or the SSI program (Supplemental Security Income). The 1999 Program Instruction should be followed in conjunction with this Information Memorandum for Head Start recruitment efforts. You are encouraged to visit our Head Start website http://www.headstartinfo.org/publications/im99/pi99_06.htm for this PI, and also other pertinent eligibility information.

The definition of “income” appears in the Head Start regulations at 45 C.F.R. 1305.2(i). “Income” is defined in the regulations as “gross cash income and includes earned income, military income (including pay and allowances), veteran’s benefits, Social Security benefits, unemployment compensation, and public assistance benefits.” The attached list of examples of “income” is derived from the U.S. Bureau of the Census, Current Population Reports, Series P60-185 and earlier reports in the same series. It provides a more detailed guidance on the term “income” than is found in 45 C.F.R. 1305.2(i).

The definition of "family" to be used in determining eligibility is found in 45 CFR 1305.2(e), which defines family as all persons living in the same household who are:

1. Supported by the income of the parent(s) or guardian(s) of the child enrolling or participating in the program, and
2. related to the parent(s) or guardian(s) by blood, marriage or adoption.

Grantees should note that Congress has provided for the disregard of certain benefits paid to certain children of Vietnam veterans when establishing eligibility for federally assisted programs. Pursuant to sections 421 and 422(c) of Pub. L. 104-204, effective October 1, 1997, title 38, United States Code, was amended by the addition of a new chapter 18, under which certain VA benefits and services are provided to children of Vietnam veterans (including adult children) who were born with the congenital defect spina bifida. A subsequent amendment to chapter 18 made by section 401 of Pub. L. 106-419, effective December 1, 2001, provides VA benefits and services to children of women Vietnam veterans born with certain other birth defects. Included among the benefits provided for these children is a monthly monetary allowance paid at a rate that is based on the child’s level of disability. Section 1823(c) of title 38, United States Code, states that “[n]otwithstanding any other provision of law, a monetary allowance paid an individual under [chapter 18] shall not be considered as income or resources in determining eligibility for, or the amount of benefits under, any Federal or federally assisted program.” The disregard should be applied in determining eligibility under the Head Start and Early Head Start programs.

Questions about the Income Guidelines should be addressed to your ACF Regional Office or the American Indian or Migrant Programs Branches.

Windy M. Hill
Associate Commissioner
Head Start Bureau

Head Start Family Income Guidelines for 2003

2003 Poverty Guidelines for the 48 Contiguous States and the District of Columbia

Size of family unit Poverty guideline

1.....	\$8,980
2.....	12,120
3.....	15,260
4.....	18,400
5.....	21,540
6.....	24,680
7.....	27,820
8.....	30,960

**For family units with more than 8 members, add \$3,140 for each
additional member.**

2003 Poverty Guidelines for Alaska

Size of family unit Poverty Guideline

1.....	\$11,210
2.....	15,140
3.....	19,070
4.....	23,000
5.....	26,930
6.....	30,860
7.....	34,790
8.....	38,720

**For family units with more than 8 members, add \$3,930 for each
additional member.**

2003 Poverty Guidelines for Hawaii

Size of family unit Poverty guideline

1.....	\$10,330
2.....	13,940
3.....	17,550
4.....	21,160
5.....	24,770
6.....	28,380
7.....	31,990
8.....	35,600

For family units with more than 8 members, add \$3,610 for each additional member.

Source: Federal Register, February 7, 2003 (Vol. 68, No. 26, pp. 6456-6458)

Additional Examples of Income for Determining Eligibility for Head Start

Income means total cash receipts before taxes from all sources, with the exceptions noted below. Income includes money wages or salary before deductions; net income from non-farm self-employment; net income from farm self-employment; regular payments from Social Security or railroad retirement; payments from unemployment compensation, strike benefits from union funds, workers' compensation, veterans benefits (with the exception noted below), public assistance (including Temporary Assistance for Needy Families, Supplemental Security Income, Emergency Assistance money payments, and non-Federally funded General Assistance or General Relief money payments); training stipends; alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household; private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments; college or university scholarships, grants, fellowships, and assistantships; and dividends, interest, net rental income, net royalties, and periodic receipts from estates or trusts; and net gambling or lottery winnings.

As defined here, income does not include capital gains; any assets drawn down as withdrawals from a bank, the sale of property, a house or a car; or tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury. Also excluded are noncash benefits, such as the employer-paid or union-paid portion of health insurance or other employee fringe benefits; food or housing received in lieu of wages; the value of food and fuel produced and consumed on farms; the imputed value of rent from owner-occupied non-farm or farm housing; and such Federal non-cash benefit programs as Medicare, Medicaid, food stamps, school lunches, and housing assistance.

The period of time to be considered for eligibility is the twelve months immediately preceding the month in which application or reapplication for enrollment of a child in a Head Start program is made, or for the calendar year immediately preceding the calendar year in which the application or reapplication is made, whichever more accurately reflects the family's current needs.

Source: Derived from the U.S. Bureau of the Census, Current Population Reports, Series P60-185 and earlier reports.