

59. Court Orders

59.1 *Galster v. Woods*

59.1.1 Issue

The *Galster v. Woods* court injunction prohibited presuming availability of property for AFDC eligibility determination if it is not “for practical purposes” available.

59.1.2 Date

The injunction was effective April 6, 1983. It was received by the Department for implementation on August 29, 1983.

59.1.3 Retroactivity

To April 6, 1983.

59.1.4 Duration

The injunction became moot because of the regulations which became effective November 1, 1985. The new regulation takes precedence.

59.2 *Reyna v. McMahon*

THE STATE-U PROGRAM IS ELIMINATED, EFFECTIVE AUGUST 1, 1991. NO PAYMENTS WILL BE ISSUED UNDER THIS COURT ORDER AFTER THAT DATE.

59.2.1 Issue

The preliminary court injunction prohibits denying, discontinuing or decreasing AFDC State-U benefits because a caretaker relative in the home is on strike. A later permanent injunction declared that families headed by single parents on strike are eligible for State-U also. Therefore State-U cannot be denied or terminated on the ground that a parent or caretaker relative is on strike.

59.2.2 Date

The preliminary injunction was issued on October 6, 1983. The permanent injunction was issued January 13, 1984. They are both effective as of October 6, 1983.

59.2.3 Retroactivity

In U-deprivation households, any persons denied or discontinued AFDC-U since April 1982 were notified and were paid State-U if they were still on strike and were otherwise eligible. No retroactive payments for prior periods are required. Due to the permanent injunction, any single-parent families that had their AFDC denied or terminated after October 6, 1983 because the parent or caretaker was on strike, were to be paid AFDC from the date of application or termination if they are otherwise eligible for AFDC.

59.2.4 Duration

The court ruling is final. The issue has now been incorporated into the regulations. [[Refer to “U-Parent Deprivation,” page 12-1\].](#)]

59.3 *Brown v. McMahon*

59.3.1 Issue

On November 7, 1987, the *Brown v. McMahon* court case was filed in Federal District Court. The plaintiffs asked that Social Security benefits (Title II) which are paid to the dependent child(ren) of a parent who is absent be considered child support and to therefore allow the \$50 child support disregard against this payment. The Supreme Court held that Title II Social Security benefits do not constitute child support within the meaning of Federal law.

59.3.2 Background

In April 1990, EWs were instructed to send a notification to potential class members that there was a pending decision which may affect their benefits, and that they should keep in touch with the county. In November 1990, they were to be advised that this was no longer necessary as the court case was finalized.

59.3.3 Date

On June 14, 1990, the U. S. Supreme Court ruled in a case, which directly impacted the *Brown Court Case*.

59.3.4 Benefits

No benefits had been paid under this proposed order, so there is no action necessary.

59.3.5 Duration

Since the *Brown* decision was not upheld by the Supreme Court, it is no longer necessary to maintain the addresses of *Brown* class members.

59.4 *Zapata v. Woods*

59.4.1 Issue

The order prohibits denial or discontinuance of AFDC to needy relatives when the only child(ren) receives SSI/SSP.

59.4.2 Date

The state is applying this order to all applications received on or after December 1, 1983.

59.4.3 Retroactivity

Instructions will be given in the future.

59.4.4 Duration

This is a final court order.

[Refer to “AU Composition,” page 25-1], for a reflection of the change.]

59.5 *King v. McMahon*

59.5.1 Issue

The lawsuit was brought to force the State to comply with the federal AFDC 90-day rule for rendering State hearing decisions.

59.5.2 Date

The effective date was August 1, 1983.

59.5.3 Retroactivity

Penalty payments will be issued to clients who are issued a late decision after December 1, 1989.

59.5.4 Duration

Indefinitely

59.5.5 Application of the Court Order

1. The State is required to pay \$100 for each month or portion of a month that the fair hearing decision exceeds the 90-day limit.
2. The State will make payments directly to the clients.
3. The clients will receive a notice of the payment from the State instructing them to report the payments on their CA 7 as "King" payments.
4. The "King" payments are TOTALLY EXEMPT AS INCOME OR RESOURCE IN AFDC.

59.6 *Williams v. Woods*

59.6.1 Issue

The court has forbidden the State to presume as income in AFDC all of the Social Security payments paid on behalf of an aided minor parent living with his/her non-needy parent.

59.6.2 Date

The effective date for new application is May 1, 1984; for continuing cases the effective date is June 1, 1984 (i.e., affecting June grants).

59.6.3 Retroactivity

The court order is retroactive to November 12, 1983 through May 31, 1984.

59.6.4 Duration

This is a final court order.

59.6.5 Person Affected by the Order

The order only applies to case situations when Social Security benefits are paid on behalf of an aided minor parent to the non-needy parent of the minor parent.

59.6.6 Ongoing Application

1. Chapter 26 has been rewritten to include court requirements. [Refer to “Income/General [EAS 44-101],” page 26-1]].
2. Availability of the Social Security payments must be considered in determining the amount of SSA income to the AFDC assistance unit.
3. The court order does not remove the responsibility of the non-needy senior parent to provide for the needs of the aided minor parent. [Refer to “Income in Kind,” page 28-1] for presumed income-in-kind to the minor parent.]

59.6.7 Retroactive Application

1. All AFDC clients were sent claim forms on June 1, 1984.
2. Posters have been posted in all Social Services Agencies district offices and all CET offices.
3. Additional claim forms are available in all district offices.
4. Claim forms must be returned by August 31, 1984 for the client to be eligible for retroactive benefits.

59.7 ***Coalition of California Welfare Rights Organizations (WRL) v. McMahon***

59.7.1 Issue

On October 31, 1990, the State Department of Social Services and the Welfare Recipients League entered into a Consent Decree to settle the *WRL v. McMahon* (formerly the *WRL v. Woods*) court case.

Senate Bill 991 provides the statutory authority for the provisions to implement the court settlement. The issue surrounds the definition of Immediate Need and the Beginning Date of Aid rules.

59.7.2 Date

The effective date for the implementation of the beginning date of aid rules and the Immediate Need criteria is December 1, 1990.

59.7.3 Retroactivity

The retroactive portion of this claim is from February 4, 1982, through April 21, 1988.

59.7.4 Application

A stuffer will be mailed to all current AFDC recipients with their May 1991 Medi-Cal card. The claim period is from May 1 through June 30, 1991. Claimants must come into the District Office (or call their EW) to request a claim form. A separate claim form must be completed for each claim they wish to file.

Claim forms will be processed by the CROP Unit. If the client is determined to be a WRL class member, the payment is \$100 for each time the claimant was wrongfully denied an Immediate Need Payment during the retroactive period.

The WRL payment is exempt as income or resources in the AFDC program.

59.8 *Collins v. Woods*

59.8.1 Issue

The Court of Appeals has issued a decision on the collection of NON-WILLFUL overpayments which occurred between October 1, 1981 and April 1982. It found the State correct in extending the recoupment period of such overpayments according to the new Omnibus Act but incorrect in recouping such NON-WILLFUL overpayments at 90% of grant level.

59.8.2 Date

July 20, 1984

59.8.3 Retroactivity

All Retroactive implementation will be completed by the Court Review Overpayment (CROP) Unit.

59.8.4 Duration

This is a final court order.

59.8.5 Actions Required

Suspension of all collection efforts on NON-WILLFUL overpayments which occurred prior to April 2, 1982.

In cases which were OPEN and ACTIVE on APRIL 1, 1982, NON-WILLFUL overpayments which occurred in April 1982 will be considered *Collins* overpayments.

For cases which APPLIED on APRIL 2, 1982 or thereafter, NON-WILLFUL overpayments which occurred in April 1982 will NOT be considered *Collins* overpayments.

59.8.6 Ongoing Activity

Intake workers must review outstanding overpayments when opening or restoring a case until November 30, 1985.

Outstanding overpayments affected by the *Collins* decision must be identified by checking BIC description for NON-WILLFUL overpayments with a "from" date between October 1, 1981 and April 2, 1982.

The intake worker shall give or sent Temp 1627, *Collins v. Woods* claim form to the clients identified as having *Collins* overpayments and document on the SC 163. The form is self-explanatory and will be returned to the CROP Unit by the mail room.

Collins overpayments must not be recouped. Other overpayment adjustments must still be considered in computing the grant.

59.9 *Shaw v. McMahon*

THE STATE-U PROGRAM IS ELIMINATED, EFFECTIVE AUGUST 1, 1991. NO PAYMENTS WILL BE ISSUED UNDER THIS COURT ORDER AFTER THAT DATE.

59.9.1 Issue

THE FINAL COURT JUDGEMENT PROHIBITS THE DEPARTMENT FROM APPLYING THE FEDERAL LUMP SUM REGULATION WHEN DETERMINING ELIGIBILITY FOR THE STATE-U PROGRAM.

59.9.2 History

A permanent injunction was issued September 20, 1984. The final judgement has now been issued and is the result of negotiations between the State and the plaintiffs.

On December 31, 1987, the Appeal Court ruled that the State was correct in providing State-U only to families whose principal earner does not have a connection to the labor force. This applies to two-parent households. Therefore, any State-U which was paid under the previous *Shaw* court order where the unemployed principal earner had a connection with the labor force, shall be considered an overpayment. If workers discover such cases, they shall refer them to the CROP Unit.



Note:

On December 2, 1988, the Contra Costa Superior Court ruled that the State must cease applying the federal unemployment test to *Shaw* applicants whose federal eligibility is AFDC-FG.

59.9.3 Date of Final Judgement

January 23, 1985

59.9.4 Date of Appeal Decision

December 31, 1987

59.9.5 Retroactivity

The judgement is effective back to October 1, 1984.

59.9.6 Duration

This is a final judgement.

59.10 *Darces v. Woods*

59.10.1 Issue

The Superior Court of Los Angeles County has issued a judgement in the case of *Darces v. Woods*. The needs of an undocumented alien child must now be considered in treating the income of the minor's parent for eligibility and grant computations.

59.10.2 Date

November 1, 1984 is the effective date of the judgement.

59.10.3 Retroactivity

Retroactive benefits will be paid back to November 1, 1984.

59.10.4 Duration

Until further court action.

59.10.5 History

Currently the regulations make no provision for meeting the needs of an undocumented alien child. Due to the court order, workers were previously instructed to flag cases in which the family included an undocumented alien child. The DEFRA screening stuffers which the State sent out in February 1985, were meant to locate such children. At that time, workers were instructed to hold the stuffers until the implementation materials from the State were complete.

Implementation of the order has been delayed until now because of the review of the Notices of Action by the *Turner* court consultants

59.10.6 Final Regulations

The State passed regulations, effective August 1, 1991, to allow the needs of ineligible alien children to be met through:

- The ineligible alien parent deeming formula; and/or
- A deduction from the aided parents income.

[Refer to “Stepparents,” page 22-1]], [Refer to “Ineligible Noncitizen Parents,” page 23-1]], and [Refer to “Voluntary Contributions and Gifts,” page 28-9] for more information and a complete discussion.]

59.11 *Stephens v. McMahon*

Superseded by regulations effective August 1, 1986

59.11.1 Issue

A court judgment was issued which required the Department to define one-time “windfall” payments as RESOURCES rather than income. Such “windfall” payments were not, therefore, subject to lump sum income regulations.

59.11.2 Date of Judgment

November 8, 1984

59.11.3 Retroactivity

Actions related to lump sums between October 1, 1984, and July 31, 1986, reflected the court's directive to count “windfall” payments as a resource rather than as lump sum income.

59.11.4 Duration

The *Stephens* court injunction is no longer applicable effective August 1, 1986.

59.12 *Miller v. Healy*

59.12.1 Issue

On May 26, 1992, the Federal District Court issued an Interim Order in the *Miller v. Healy* Court Case. The order directed the counties to provide child care reimbursement to AFDC recipients in approved education and training activities who are not enrolled in the GAIN program.

59.12.2 Date

The effective date of the Interim Order is July 1, 1992.

59.12.3 Duration

The *Miller* order shall continue until the Court resolves the pending legal issues concerning the implementation plan and the final implementation of the permanent injunction.

59.12.4 Retroactivity

At this time, there is no retroactivity.

59.12.5 Informing

The *Miller* order requires that all AFDC recipients be notified of the availability of child care services under the Non-GAIN Education and Training (NET) Program as follows:

- The “Important Notice Non-GAIN Education and Training (NET) Program Child Care” (TEMP NET 1) is being sent to all AFDC recipients on July 1, 1992, and October 1, 1994, as a CA 7 Stuffer.
- All AFDC Intake packets provided to clients on or after July 1, 1992, must include the TEMP NET 1.

If a client calls the EW and wishes more information about the NET program, refer the client to the GAIN NET case manager at 928-3560.

59.12.6 Request for NET Benefits

If a client wishes to apply for the NET benefits, the request must be made in writing. When clients contact their EW, the EW must promptly send the “Request for Non-GAIN Education or Training (NET) Child Care - Coversheet and Request Form” (TEMP NET 2 Coversheet and TEMP NET 2). The address of GAIN is on the Coversheet and instructs the client to return the form to the GAIN Intake Unit. The case-carrying EW must date stamp and forward any requests received to the GAIN Intake Unit, 591 N. King Road.

59.12.7 Eligibility

In order to receive NET benefits, the AFDC recipients must meet specific program criteria. The GAIN NET case manager will review the request and the case file and will determine if there is eligibility for benefits under the NET program, including whether the education or training program is approved. Any payments under the *Miller* court case will be issued by GAIN.

59.13 *Edwards v. Carlson*

59.13.1 Issue

A court judgement was issued which required the Agency to separate AUs when non-sibling children reside with a single caretaker relative.

59.13.2 Date

The effective date of the *Edwards* order was 5/1/92 for both applicants and recipients.

59.13.3 Duration

The *Edwards* court decision is no longer applicable effective August 1, 1995.

59.13.4 Retroactivity

There was no retroactive period prior to 5/1/92.

59.14 *Flaminio v. McMahon*

59.14.1 Issue

The *Flaminio* order states that counties must stop any overpayment recoupment or collection if the overpayment was:

- Due to the receipt of Adoption Assistance payments (AAP) by an AFDC AU, and
- Declared during the period October 1985 through November 1989 (the *Simon* injunction period).



Note:

The *Simon* injunction allowed AUs the option of excluding a child with income and/or resources from the eligibility determination.

59.14.2 Date

This order was issued on October 9, 1991.

59.14.3 Retroactivity

The *Flaminio* order only requires that the overpayment assessment and recoupment cease. There is no retroactivity required.

59.14.4 Implementation

EWs are to review the existing overpayment BICs to determine if the case is affected by this order. If the EW discovers that an overpayment is still being recouped or collected which meets this criteria, the following action must be taken:

Step	Action
1.	Remove the BIC from the [NLIN] Screen or the N Line.
2.	Document on the SC 163 that this action was completed due to the <i>Flaminio</i> order.
3.	Send a memo to Collections with the case name, case number, EW number and notifying them that any collection activity on this case is to be stopped as a result of the <i>Flaminio</i> order.

59.14.5 Reminder

It is expected that there will be very few, if any, cases affected by this order.

59.15 *Morales v. McMahon*

59.15.1 Issue

The Superior Court issued a final order in the *Morales* Court case, holding that the “knew or should have known” provision contained in MPP 22-009.11 was invalid when used to deny claimants a hearing. Those persons must be provided with an adequate federally mandated written Notice of Action (NOA). This regulation has been amended and counties are no longer applying the “knew or should have known” criteria in determining whether an appeal was filed timely.

59.15.2 Date

The final order was issued on October 25, 1991.

59.15.3 Retroactivity

The State Department of Social Services (SDSS) has agreed to provide an opportunity for new state hearings to any persons who meet the following criteria:

- Requested a state hearing during the time period of May 1, 1986 and February 15, 1991, and
- Lost that hearing because they did not request it on time.

59.15.4 Duration

SDSS will notify claimants of the availability of this process, by sending a “*Morales* Informing Notice/Claim Form” (TEMP 2034) to those persons who may have been affected.

59.15.5 Information

If a client wishes more information about this order, refer that individual to the Appeals Unit at 441-5617.

59.16 *Gonzales v. McMahon*

59.16.1 Issue

The Family Support Act of 1988 (Public Law 100-485) specified the standards for processing child support enforcement cases and the time frames for distributing child support collections. The *Gonzales* Court case ordered that in wage assignment situations or other income withholding cases, the Title IV-D Agency (Family Support Division: FSD) shall use the date when the child support payment was withheld to represent the date of collection to determine the distribution and disregard amount.

59.16.2 Date

The court ordered that on or before July 1, 1992, the State Department of Social Services (SDSS) must change or add a provision in the AFDC regulations to reflect the above.

59.16.3 Retroactivity

There is no retroactivity in this court order.

59.16.4 Duration

The state has changed the AFDC regulations to reflect the *Gonzales* order. The primary effect of this order is on FSD and will be used by them in determining what date to be used when notifying this Agency of a child support collection amount. Therefore, the interface will be completed properly and a \$50 disregard will be issued, if appropriate.

59.16.5 Action

There is no action required by eligibility staff.

59.17 *Bass v. Carlson*

59.17.1 Issue

Earned Income Tax Credits (EITC) are to be exempt as income and as a resource in the month of receipt and the following month. This change was implemented through an All County Letter for July 1991 and forward.

59.17.2 Date

The final settlement of the *Bass* order was issued March 4, 1992.

59.17.3 Retroactivity

Corrective payments shall be issued to eligible claimants who self-identify as having their EITC payments incorrectly budgeted during the period January 1, 1991 through June 30, 1991.

A poster entitled "*Bass v. Carlson*, Welfare May Owe You Money" is to be displayed in each District Office and in the Food Stamp Centers (CET Offices) from June 1, 1992 through November 30, 1992. If a client wishes to apply for benefits under this order, the EW shall send a memo to the CROP Unit, Technology Drive, providing the following information:

- Case name,
- Case number,

- EW number,
- Statement that the client is applying for a retroactive benefit determination under the *Bass* court order.

59.17.4 Action

The EW need take no further action, once the referral to CROP is made on cases which self-identify.

59.18 *Crary v. Healy*

59.18.1 Issue

GAIN participants who drove a vehicle to and from their approved GAIN activity and who were reimbursed a lesser amount based upon a determination by GAIN that other types of transportation were available at a lower cost, may be eligible for a supplement.

59.18.2 Date

On August 3, 1990, the Superior Court for the County of Sacramento issued an order in the *Crary* lawsuit. Counties were to restore to affected persons all GAIN supportive services moneys inappropriately withheld because of transportation expense limitations.

59.18.3 Retroactivity

The *Crary* order covers the period between December 1, 1986 and March 31, 1991.

A *Crary* Informing Card (TEMP GAIN 64) was mailed to all AFDC recipients in this county with the July 1, 1992 Medi-Cal card. GAIN also sent notification directly to persons they identified as being affected by this court order.

59.18.4 Action

There is no action required by EW staff. If a client calls with questions concerning *Crary*, that individual is to be referred to GAIN fiscal at 299-8327.

59.18.5 GAIN

GAIN will be responsible for processing any benefits under this order and for any required forms.

59.19 *Green v. Anderson*

59.19.1 Issue

The U.S. District Court in Sacramento issued a preliminary injunction stating that effective December 22, 1992, counties must stop applying the Relocation Family Grant (RFG) rule.

All AFDC applications made on or after December 1, 1992, were to be evaluated for the Relocation Family Grant (RFG) rule. However, the effect of this ruling is that the California computed grant is paid to new applicants, regardless of their length of time in California.

59.19.2 History

On December 22, 1992, the U.S. District Court in Sacramento issued a Temporary Restraining Order (TRO) which prohibits the state and the counties from continuing to apply the RFG rule. The TRO requires counties to IMMEDIATELY:

- Cease applying the Relocation Family grant payment policy.
- Identify those AUs negatively affected by this regulation.

On January 28, 1993, the same court issued a preliminary injunction, upholding the TRO.

59.19.3 Retroactivity

At this time there is no retroactivity. Those cases affected by the RFG were paid the California computed grant as of December 22, 1992.

59.19.4 Duration

It is the intention of the State Department of Social Services (SDSS) to continue litigating this case. However, the injunction will continue until a final order is issued.

59.19.5 Implementation

Agency Memo #92-179, issued December 30, 1992, instructed EWs to:

- Stop applying the RFG.
- Restore any affected applicants effective December 22, 1992.

- Enter a “Special Characteristics” code of 'L' in the [C] field on all potential RFG cases.

EWs must continue to pay all eligible clients using the California computed grant. It is no longer required to code new applicant cases for potential RFG determination. If a case was flagged as a result of the TRO, this must stay in the case record.

59.19.6 Forms

EWs must continue to secure the “Supplemental Statement of Facts - Cash Aid, Relocation Family Grant (RFG)” (BC JA 2 SUP) if they are using the JA 2, dated 4/90 or prior, or the CA 8, dated 2/84 or prior.

The BC JA 2 SUP is not required if the EW is using the:

- “Statement of Facts Cash Aid and Food Stamps” (BC JA 2) dated 11/92.
- “Statement of Facts to Add Additional Persons” (BC CA 8) dated 11/92.



Note:

The “BC” designation for Budget Change” was used to identify these forms as part of the changes mandated by the passage of the state budget in 1992. It is anticipated that this designation may be dropped in the near future.

59.20 *Lowry v. Obledo*

59.20.1 Issue

The Superior Court of Sacramento County has ordered the State and Counties to make retroactive payments to clients who were discontinued or denied AFDC or had decreased AFDC because child care paid to a non-working member of the household was not allowed as a work expense.

59.20.2 Date of Judgement

October 28, 1981

59.20.3 History

The regulations were changed to allow such child care at the time of the Court Judgment in 1981 and have been applied on a continuing basis since that time; therefore there will be no change in current eligibility. The only actions required at this time are related to the retroactive payments.

59.20.4 Retroactivity

The retroactive period involved includes the payment months of February 1977 through August 1982.

59.20.5 Duration

Claims will be accepted through May 31, 1986 (Exception: persons with an Rv in May 1986 have until June 30, 1986 to submit a claim).

59.20.6 General Information

The State will attempt to reach potential claimants through media press releases, Medi-Cal stuffers, and posters in county hospitals, social service departments, Employment Development Departments, and community colleges.

The client will have from June 1, 1985 through May 31, 1986 to submit claims for retroactive payments.

RCA/ECA will not be involved. Any current RCA/ECA recipient could not have been receiving AFDC during the affected period. In addition, the Court only ordered retroactive AFDC payments.

The Refugee Demonstration Project (RDP) due to be implemented July 1, 1985 will be basically an AFDC program and therefore the *Lowry* procedures will apply.

Specialized court order workers will be responsible for processing claims.

59.20.7 Continuing EW Action

Continuing AFDC Eligibility Worker shall

Review every active AFDC case at every Reinvestigation due from June 1, 1985 through May 31, 1986.

One copy of the *Lowry v. Obledo* Review (Temp SC 2) will be required and filed with every CA 2 or CA 20 completed at reinvestigation during the period above.

If the client answers yes to question 5 of Temp SC 2, indicating another caretaker relative, the worker shall review the case record to determine the name of the caretaker relative.

**Note:**

A review of the case record is not necessary unless the client answers yes to question 5.

Inform any client who answers yes to all the questions No. 1 through No. 4 that they may be eligible for retroactive *Lowry* payments.

Give the client a “*Lowry v. Obledo* Claim Form” (Temp 1618).

**Note:**

If the client answers no to any questions in No. 1 through No. 4, he/she will not be eligible for retroactive payments; however the client has the right to apply if they wish. If the clients appears in doubt about the answers to the question, they should be given a Temp 1618 to give them the opportunity to apply for possible benefits.

Send a Temp 1618 to other caretaker relatives identified by the case review.

Date stamp and route any Temp 1618 they receive to the CROP Unit for processing. The Temp 1618 contains instructions to return the form to the CROP Unit at Central. Most of them will go directly to that unit.

59.20.8 Intake Workers Action

Intake workers will not be required to review for *Lowry v. Obledo* and will not be required to complete a Temp SC 2 with the CA 2. If in the application process the client indicates a desire to apply for *Lowry* benefits, they should be referred to the receptionist.

59.20.9 CROP EWs Action

CROP EWs will:

- Process claims according to EAS Sect 50-013.
- Make retroactive payments.
- Keep statistics as required by court unit procedures.

59.21 *Edwards v. McMahon*

59.21.1 **Issue**

The Court Order requires the Department to correct underpayments to AFDC clients whether or not they are currently AFDC eligible.

59.21.2 **Date of Judgement**

March 6, 1985

59.21.3 **Retroactivity**

Reimbursement for underpayments requested by a former recipient or discovered by the department after March 6, 1985 shall be made, regardless of when the underpayment occurred. No further retroactive activity has been required by the Court.

59.21.4 **Duration**

This is a final order. The regulations are being changed by the State.

59.21.5 **Application to Current Regulation**

Underpayments shall be corrected when discovered by the worker, regardless of the current eligibility of the client or when the underpayment occurred.

Underpayments discovered shall be balanced against outstanding overpayments first.

Former clients may request reimbursement of underpayments. They should be referred to the CROP Unit at Central (441-5604).

59.22 **Four Court Cases**

Four court cases have been decided and the retroactive implementation will become effective simultaneously November 1, 1985. They are:

1. *North Coast Coalition v. Woods*

2. *Wood v. Woods*
3. *Wright v. Woods*
4. *Angus v. Woods*

59.22.1 Issues

North Coast Coalition v. Woods

The Superior Court of Mendocino County has ordered the State and the counties to make retroactive payments to AFDC clients who had an Unrelated Adult Male (UAM) living in the home AND who had their AFDC cash aid reduced, denied, or discontinued anytime between August 1, 1976 and September 30, 1980, because a portion of the UAM's required contribution for his own living expenses was deemed as income to the AU.

Wood v. Woods

The Superior Court of San Mateo has ordered the State and the counties to make retroactive payments to AFDC clients who had a stepparent living in the home AND who had their AFDC cash aid reduced, denied or discontinued for any period from January 1, 1980 through September 30, 1981, because the spouse's community property interest in the income of a nonadoptive stepparent was considered unconditionally available to the spouse for the support of the stepchild(ren) receiving AFDC.

Wright v. Woods

The superior Court of San Mateo has ordered the State and the counties to make retroactive payments to AFDC clients whose AFDC cash aid together with their total outside income was less than 100% of MAP for the AU in the payment month. The retroactive period is July 18, 1976 through December 31, 1980.

Angus v. Woods

The United States District Court for the Northern District of California has ordered the State and the counties to make retroactive payments to AFDC clients whose cash aid was reduced in order to recoup a willful overpayment and the amount of the client's net nonexempt income was insufficient to meet:

- a. His/her housing and utility costs, or
- b. MBSAC for the number of children in the AU for the payment month. The retroactive period is September 1, 1977 through December 31, 1980.

59.22.2 Retroactivity

All claims are for retroactive payments. The continuing issues have been resolved and implemented previously.

59.22.3 General Information

1. The State will notify potentially eligible claimants by means of posters at CWD, EDD and Food Stamp offices, by a public advertising campaign and by the mailing of claim forms to all current AFDC recipients.
2. CROP Eligibility Workers will be responsible for determining eligibility for retroactive benefits. Other eligibility workers are NOT required to do case reviews. The responsibility for notifying potentially eligible claimants rests with the State.
3. Claims may be filed from November 1, 1985 through February 28, 1986.
4. RCA/RDP will not be involved.

59.22.4 Action Required

1. Continuing Eligibility Workers shall:
 - a. Route any "Four Court" claim forms received to the "CROP Unit," CC1A, Central.
 - b. Refer clients to reception if they request a claim form. Additional claim forms will be available in the reception area in each District Office.
2. New cases will not be affected by these court orders, as the issues have been previously resolved.
3. Clerks in District Office Reception will provide clients with claim forms when requested and instruct claimants to send the completed claim to the CROP Unit as above. Claimants having questions should be advised to contact CROP Unit; 441-5604.
4. CROP Eligibility Workers will:
 - a. Process claim forms per EAS Section 50-014.
 - b. Issue retroactive payments.
 - c. Borrow cases from D.O. when necessary. Most of the information needed for these reviews will be contained in prior volumes.
 - d. Keep required statistics.

59.23 *Simon v. McMahon*

59.23.1 **Issue**

The preliminary injunction, issued by the California Supreme Court on October 17, 1985, has been lifted. The separate income or property of a potentially eligible child must be used to determine the eligibility and grant amount for the Standard Filing Unit.

59.23.2 **Date**

On April 21, 1989, the preliminary injunction was dissolved and the action was dismissed.

59.23.3 **Retroactivity**

The benefits paid under the *Simon* preliminary injunction are not recoverable as overpayments.

59.23.4 **Duration**

This is the final stipulation for dismissal and order.

59.24 *Noia v. McMahon*

59.24.1 **Issue**

The U.S. District Court has enjoined the State of California from applying the regulations which require that non-governmental loans made available to meet current needs be treated as income in computing the grant.

59.24.2 **Aids Affected**

AFDC, RCA, ECA AND RDP.

59.24.3 **Date of Injunction**

May 6, 1986.

59.24.4 Retroactivity

The preliminary injunction applies from May 1, 1986 onward. Staff will be notified if further retroactivity is ordered.

59.24.5 Duration

Indefinite at this time. Currently the State is negotiating with the plaintiffs. It appears that an out-of-court agreement will be made and the EAS regulations rewritten accordingly.

59.24.6 Handbook Section Affected

[Refer to “Student Exemption [EAS 44-111.22],” page 27-1], [Refer to “College Work Study Program [EAS 44-111.24],” page 27-2]] and [Refer to “Independent Living Program (ILP) [EAS-44-111.25],” page 27-3].]

59.24.7 Interim Regulation — Effective May 1, 1986

Non-governmental loans available to meet current needs shall not be counted as income when both of the following are true:

- The client submits a WRITTEN agreement which:
 - Gives the loan amount.
 - States the repayment plan.
 - Is signed by both the borrower and lender.

AND

- The agreement clearly states:
 - The obligation of the borrower to repay the loan.
 - Specified payments amounts.
 - The first payment shall be made within 90 days of the receipt of the loan and payments shall continue on a regular basis until the loan is fully repaid.

Non-governmental loans which are designated for purposes other than current need are still exempt and do not require a loan agreement. Other such loans are considered available to meet current needs and will continue to be treated as income if there is not a written loan agreement which meets the criteria above.

59.25 *Grimesy v. McMahon*

59.25.1 **Issue**

The Court has ordered the State to stop deeming senior parent income to 18-year-old minor parents who do not meet the school requirement to be an AFDC child as required in EAS 44-133.7.

59.25.2 **Date of Injunction**

June 24, 1986.

59.25.3 **Retroactivity**

A new injunction regarding the period between January 27, 1985 and June 23, 1986 has been filed. Further instructions will be issued in the near future regarding retroactive implementation.

59.25.4 **Duration**

Until final Court decision is issued.

59.25.5 **Handbook Section Affected**

[Refer to “Child Support [EAS 44-113.7],” page 28-9].]

59.25.6 **EAS Section Affected**

44-133.7

59.25.7 **Cases Affected**

Cases affected by the *Grimesy* order are those where an 18-year-old parent lives with an unaided senior parent and does not meet the age definitions of an AFDC child because he/she does not meet the school requirement.

Action Required

Effective June 24, 1986, the Senior Parent Regulations will not apply to cases affected by *Grimesy*.

- Senior parent income shall not be deemed in affected cases in either the prospective and retrospective budgets after June 30, 1986.
- The CA 73 shall not be required in affected cases and shall not be sent after June 30, 1986.
- Outstanding overpayments which have occurred due to the deeming of senior parent income to the AU of an 18-year-old parent who did not meet the school requirement shall not be recouped at this time. No further recoupment shall be made until the Court decision is reached.
- The CA 23 shall not be required at application or Rv for *Grimesy* affected cases.
- When a minor parent who lives with the senior parent turns 18, the EW must check the school status.
 - If the minor parent meets the school requirement and therefore, meets the age definition of AFDC child, the senior parent regulations will continue to apply.
 - If the minor parent does not meet the school requirement, the senior parent regulations will no longer apply, effective the first of the month following the 18th birthday.

Other Aids Affected

The *Grimesy* order applies to RCA, ECA AND RDP.

Claiming

The case and persons shall be claimed as federal if they are otherwise federally eligible.

59.25.8 Final Order

On November 18, 1991, the Federal District Court for the Northern District of California approved a Final Order for this case. A stay which had been issued on February 20, 1987, was lifted and it was mandated that as soon as administratively possible eligible class members or their AUs were to be paid the retroactive benefit. This was to be equal to the original payment amount and was not to include any interest payment.

59.25.9 Payment

The CROP Unit issued these payments in the month of March 1992. All appropriate NOAs were mailed to the claimants. There is no further action to be taken in this order.

59.26 ***Rutan v. McMahon***

PER *PAOLI v. ANDERSON* THE LUMP SUM RULE HAS BEEN ELIMINATED. A PERIOD OF INELIGIBILITY (POI) WILL NO LONGER BE ESTABLISHED. [[Refer to “Paoli v. Anderson,” page 59-44](#)]]

59.26.1 **Issue**

The Court has ordered the State to stop applying the lump sum regulations to the income of clients who have not received a written notice explaining the lump sum rule prior to spending the income.

59.26.2 **Date the Court Issued the Injunction**

August 25, 1986

59.26.3 **Retroactivity**

All cases that have had the lump sum rule applied since April 2, 1982 and which are currently in a period of ineligibility must be reviewed. In some cases recomputation of the period of ineligibility and of related overpayments will be required. The CROP Unit will be responsible for this phase.

59.26.4 **Duration**

The Injunction is a preliminary one with continuing effects. The Court has approved and ordered the State to use the form Temp 1683 “Informing Notice” to notify clients of the lump sum rule. [[Refer to “Paoli v. Anderson,” page 59-44](#).]

59.27 ***Hager v. McMahon***

59.27.1 **Issue**

The Court has ordered the State Department of Social Services to stop the deeming of a nonrelated legal guardian's income to a minor parent receiving Foster Care or to the AFDC child of a minor parent who is in Foster Care.

59.27.2 Aids Affected

AFDC, RCA

59.27.3 Date

The Court issued a Writ of Mandate on July 27, 1987.

59.27.4 Retroactivity

Unclear at this time.

59.27.5 Duration

Indefinite. A law is before the legislature that may make this issue moot and resolve the problem.

59.27.6 Implementation

- The State has issued instructions for eligibility staff to stop applying the legal guardian deeming regulations in EAS 44-133.7 to all Foster Care cases. This applies to both eligibility and grant determinations.
- In addition, eligibility staff shall not deem the income of a legal guardian to the AFDC child of a minor parent who is in Foster Care.
- Affected cases are all in the Foster Care Unit.
- Other AFDC cases are not affected by this order. Senior parent/legal guardian income shall continue to be deemed in all AFDC cases except the ones designated in the first two bullets above.

59.28 *Vaessen v. Woods*

59.28.1 Issue

The Court has ordered the State to treat income tax refunds as resources rather than income in grant determinations.

**Note:**

The EIC is still considered lump sum earned income.

59.28.2 Retroactivity

The final order requires CWDs to provide retroactive benefits plus interest for recipients/applicants whose income tax refunds were applied as income during the periods of January 1, 1979 through March 31, 1980 and May 1, 1982 through August 31, 1982. Applications for retroactive benefits were sent to individuals who received income tax refunds during the times mentioned above. The CROP Unit will be responsible for processing applications for *vaessen v. Woods* retroactive benefits. The filing period is March 1, 1988 through May 31, 1988.

59.28.3 Implementation

No eligibility determinations are required by the case carrying EW. However, any *Vaessen v. Woods* applications for retroactive benefits which are received by EWs must be date stamped and forwarded to the CROP Unit, 2nd floor - Central.

59.29 *Miller v. Youakim*

59.29.1 Issue

Miller v. Youakim was a U.S. Supreme Court finding made on February 22, 1979. This finding prohibited the States from excluding children “otherwise eligible” for Foster Care from the Federal Foster Care Program, solely on the basis that they were placed in a relative's home. Relatives MUST be given the option of selecting either AFDC-FC or AFDC-FG/U.

59.29.2 Date

Federal Foster Care payments for children placed by the Court with relatives have been made since the State filed new regulations on January 7, 1980. Since the regulations have already been passed, and are in print and use, the Court Order is not currently in effect. However, the name of the Court Order, *Miller v. Youakim*, is easier to say than “Federally linked children who are court placed with relatives and otherwise foster care eligible.” Therefore, the name remains in the current working vocabulary.

Chapter 32 instructs District Office EWs to send a referral packet to Foster Care whenever a relative with a court order from Santa Clara County applies for AFDC on behalf of a child, or the worker knows that there is a court order placing the child with the relative. [\[Refer to “Persons Included in AU \[EAS 82-820\],” page 25-17\].](#) The packet shall contain:

- An SC 1526
- An SC 41
- A SAWS 1 marked “*Miller v. Youakim*”
- A copy of the LM that shows the child receiving AFDC, if applicable.
- A copy of any court order the relative caretaker has.

Relatives are referred to District Office to apply for AFDC first, since approximately 55% of these children have no Foster Care federal eligibility. This way the beginning date of aid is established for AFDC, and THEN the *Miller v. Youakim* review is completed.

[Refer to Common-Place Handbook, “[Miller vs. Youakim](#),” page 53-3, and “[Case Loans to Foster Care Bureau](#),” page 49-3, for the procedures regarding case and document movement between District Offices and the Foster Care Bureau.]

59.30 Merriman v. McMahon

59.30.1 Issue

The Superior Court of Alameda County has signed a Preliminary Injunction to enjoin the Social Services Agency from implementing any change to EAS 44-211.512, which deals with shared housing. The Court Order instructed the State to read this regulation as though the deleted language was still present.

59.30.2 Aids Affected

AFDC and RDP

59.30.3 Date of Injunction

July 27, 1988.

59.30.4 Retroactivity

None. On July 1, 1988, the county received a message from the State that this portion of the HA changes was restrained. The regulations to delete the part of 44-211.512 which would have made an individual in shared housing ineligible for HA was to become effective July 1, 1988. Department Memo 88-94 instructed EWs that HA applicants in shared housing would continue to meet the homeless definition if otherwise HA eligible.

59.30.5 Duration

Until final Court decision is issued.

59.30.6 Handbook Section Affected

[Refer to “Financial Eligibility,” page 33-1.]

59.30.7 EAS Section Affected

44-211.512

59.30.8 Implementation

An AU is not considered homeless when it is sharing housing, unless the housing is being shared on an emergency basis and is temporary.

Shared housing exists when an AU lives in the same residence with another individual or family and the living arrangement has been ongoing. The living arrangement can be presumed to be ongoing when the AU shares a regular portion of the living expenses, such as rent, mortgage and/or utility bills.

Families who lack a fixed and regular nighttime residence are homeless even if they live with others. People who live with others who do not lack a fixed and regular nighttime residence are therefore not homeless.

The State defined shared housing and issued guidelines to determine if the arrangement is due to an emergency and is temporary. [Refer to “Financial Eligibility,” page 33-1.]

59.31 *Sallis v. McMahon*

59.31.1 Authority

On January 10, 1991, the Superior Court of Sacramento County approved the final order for the *Sallis v. McMahon* Court Case.

59.31.2 Issue

AFDC recipients must be allowed the AFDC earned income disregards against State Disability Insurance (DIB) benefits.

59.31.3 Date

This change was effective with AFDC payments made in April, 1991, for currently eligible recipients. The retroactive portion of the *Sallis* order will be processed beginning October 1, 1991.

59.31.4 Retroactivity

The retroactive portion of this claim is effective from June 1, 1987, through March 31, 1991.

The State Department of Social Services provided a listing to this Agency of clients who received both AFDC and DIB for the period August, 1989, through March 31, 1991.

The CROP Unit will use the following chart to determine the correct action:

IF the recipient...	THEN...
Is on the listing from SDSS and is currently receiving AFDC, or AFDC is discontinued but not closed.	The CROP Unit will call for the case and determine the client's eligibility for any corrective payments.
Is on the listing from SDSS, but the case is closed.	The CROP Unit will send a " <i>Sallis v. McMahon</i> Claim Form" (TEMP 1800) to the client at the last known address.
Received DIB between 6/1/87 and 7/31/89, and is not listed on the SDSS listing.	The client must contact the County to secure a TEMP 1800.

59.31.5 Application

The CROP Unit will process all retroactive *Sallis* claims.

If a client is determined to be eligible for a corrective underpayment on a closed case, the CROP EW will:

- Balance any payment against outstanding overpayment balances, and
- Issue any remaining benefit to the client.

On active cases instructions will be provided to the case carrying EW using the "EDP Overpayment Instructions" (SC 1580) when action below is needed:

- Offset any overpayments with *Sallis* corrective underpayments by reducing the balance owing on the current EDP, or
- Establish any overpayments by entering the appropriate BIC codes.

The EW must take the required actions within 10 working days of the receipt of the SC 1580.

**Reminder:**

The *Sallis* payment is exempt as income or resources in the AFDC program.

59.32 *Jacobson v. Anderson*

59.32.1 Issue

The decision in the *Jacobson v. Anderson* lawsuit clarifies that the GAIN Program cannot refuse to approve a self-initiated program (SIP) as a GAIN activity, solely because the program will not be completed within two years.

59.32.2 Dates

The prospective portion of this lawsuit was implemented on July 26, 1990, when GAIN clarified their policy.

The retroactive portion is implemented starting July 1, 1993.

- The claim period is from July 1, 1993 through September 28, 1993.
- The retroactive period for any possible benefit determination is from May 9, 1987 through September 30, 1990.

59.32.3 Informing

As part of the notification process, on July 1, 1993, the state will send an “Informing Card” (TEMP GAIN 78) with the Medi-Cal cards of all AFDC and medically-needy-only recipients in those counties affected by this order, including Santa Clara County.

The *Jacobson* order also requires that posters be placed in each District Office, in the GAIN offices and at any college or university in the area. Persons who wish more information about this court case must be referred to the GAIN office.

59.32.4 Required Action

EWs in the District Office have minimal responsibilities in the implementation of the *Jacobson* court order. If a client calls and wants more information or wishes to have a claim form, he/she must be given the GAIN telephone number (254-6175). The GAIN office is responsible for the initial processing of the claim.

59.32.5 CROP Unit

There may be cases where a client was inappropriately sanctioned by GAIN and the EW removed that individual from the AU. An EW in the CROP Unit will be processing these claims when a referral is received from GAIN.

If the CROP EW asks to borrow a case in order to process a potential *Jacobson* application, the case-carrying EW must insure that the case is sent to the CROP EW as soon as possible. There are court-mandated timelines, which must be kept.

59.33 *Petrin v. Carlson*

PER *PAOLI v. ANDERSON* THE LUMP SUM RULE HAS BEEN ELIMINATED. A PERIOD OF INELIGIBILITY (POI) IS NO LONGER ESTABLISHED. [Refer to "Paoli v. Anderson," page 59-44]]

59.33.1 Issue

The decision in the *Petrin v. Carlson* court case added two more reasons why a client who was in a lump sum period of ineligibility (POI) could have that POI shortened.

59.33.2 Dates

This became effective November 1, 1993 for current cases.

The retroactive portion is implemented starting November 1, 1993.

- The claim period is from November 1, 1993 through January 31, 1994.
- The retroactive period for any possible back benefit is from May 31, 1989 through October 31, 1993.

59.33.3 Informing

A poster "*Petrin v. Carlson* - Welfare May Owe You Money" (TEMP 2051) is to be displayed in the district offices and in the CET offices from November 1, 1993 through January 31, 1994. There will not be any case specific notification in this county, as we are unable to locate any potentially affected cases through existing computer records.

59.33.4 Required Action

The CROP Unit will process all retroactive *Petrin* requests.

The district office EWs and/or clerical staff are responsible for:

- Providing the client with the *Petrin v. Carlson* Claim Form (TEMP 2049), if the client so requests.
- Sending the case to the CROP Unit, if requested.
- Following any instructions provided by the CROP EW to complete the application process.

59.33.5 CROP Unit

When the CROP Unit requests the current volume to process a potential *Petrin* application, the case-carrying EW must insure that the case is sent to the CROP EW immediately. Do not delay for RVs, transfers or other case requests. Strict court mandated timelines must be met to avoid financial sanctions.



Reminder:

The case-carrying EW must establish a "dummy" folder so the client's needs can be met while the case file is being reviewed for *Petrin* eligibility.

59.34 *Ceja v. Carlson*

59.34.1 Issue

The decision in the *Ceja v. Carlson* court case requires that in the AFDC budget computation the income of immigrants legalized under the Immigration and Reform Control Act (IRCA) of 1986 be deemed according to the stepparent deeming formula.

59.34.2 Dates

The prospective portion of the *Ceja* court order was implemented effective July 1, 1991.

The retroactive portion will be implemented January 2, 1995.

- The claim period is from January 2, 1995 through April 1, 1995.

- The retroactive period for any possible benefit determination is from June 1988 through June 1991.

59.34.3 Identification

Cases which are potentially affected by *Ceja* are identified in CDS by the entry of a “C” in the Special Characteristics “D” field on the [HSHD] Screen.

59.34.4 Informing

It is required that a poster be placed in each District Office and in the CET offices. The State Department of Social Services (SDSS) will also publicize the *Ceja* order through Spanish language radio stations, press releases and newspapers during the claim period.

If a client calls and wishes to make a claim, the case-carrying EW must review the case file and if the case is not coded as a potential *Ceja*, provide a “Extra Cash Aid Claim Form - *Ceja v. Carlson*” (TEMP 2077A) to the client.

59.34.5 Required Action

Case-carrying EWs have minimal responsibility in the implementation of the retroactive portion of the *Ceja* court order. The CROP Unit is responsible for the retroactive processing of the claim. The case-carrying EW must take prompt action:

- If any claim forms are received directly from the client, or
- To comply with the instructions received from the CROP Unit.

59.34.6 CROP Unit

When the CROP EW asks to borrow a case in order to process a potential *Ceja* retroactive determination, the case-carrying EW must insure that the case is sent to CROP as soon as possible. There are court mandated timelines which must be kept.

59.35 *CCWRO v. Anderson*

59.35.1 Issue

The decision in the *Coalition of California Welfare Rights Organization (CCWRO) v. Anderson* lawsuit found that GAIN can not impose a conciliation plan and subsequent sanction without further notice to a participant who failed to respond to a GAIN appointment notice.

59.35.2 Dates

Effective October 1, 1990, GAIN regulations were changed to reflect that a client must be notified prior to having sanctions imposed due to failure to respond to an appointment notice.

The retroactive portion of *CCWRO v. Anderson* is implemented starting January 15, 1995.

- The claim period is from January 15, 1995 through April 14, 1995.
- The retroactive period is from July 1, 1985 (or the date each specific county began their GAIN program) through September 30, 1990.

59.35.3 Informing

The informing requirements are met through the use of a CA 7 stuffer and posters.

- The “*CCWRO v. Anderson - Welfare May Owe You Money*” (TEMP GAIN 86) was mailed with the December CA 7s on the first of January, 1995.
- The poster “*CCWRO v. Anderson - Welfare May Owe You Money*” (TEMP GAIN 89) must be placed in the District Offices, CET Food Stamp redemption centers, and GAIN offices from January 15, 1995 through April 14, 1995. Persons who wish more information about this court case or who wish to file a claim are to contact the GAIN office.

59.35.4 Required Action

EWs in the District Offices have minimal responsibility in the implementation of the *CCWRO* court order. If a client calls and wants more information or wishes to have a claim form, he/she must be given the GAIN telephone number (928-3612). If a claim form is received, immediately forward the form to GAIN. The GAIN office is responsible for the initial processing of the claim.

59.35.5 CROP Unit

There may be cases where it is determined that a client was inappropriately sanctioned by GAIN and the EW removed that individual from the AU. An EW in the CROP Unit will be processing these claims when a referral is received from GAIN.

When the current volume is requested, it must be sent immediately to the CROP Unit. Do not delay for Rvs, transfers, or others wishing to borrow the case file.

59.36 *Yslas v. Carlson*

59.36.1 Issue

The decision in the *Yslas v. Anderson* lawsuit found that GAIN can not deny, reduce or stop GAIN supportive payments because participants received educational loans or grants. As a result of this decision, GAIN must obtain the prior, voluntary agreement of a GAIN participant before offsetting the client's expenses for child care, transportation and ancillary costs with their financial aid.

59.36.2 Dates

Effective September 1, 1993, GAIN regulations were clarified to note that the intent of the regulations were that the GAIN participant's financial aid cannot be used to meet expenses of child care, transportation, and ancillary costs without prior, voluntary agreement.

The retroactive portion of *Yslas v. Anderson* is implemented starting January 15, 1995.

- The claim period is from January 15, 1995 through April 14, 1995.
- The retroactive period is from October 19, 1987 through August 31, 1993.

59.36.3 Informing

The informing requirements are met through the use of a CA 7 stuffer and posters.

- The "*Yslas v. Anderson - GAIN May Owe You Money*" (TEMP GAIN 84) was mailed with the December CA 7s on the first of January, 1995.
- The poster "*Yslas v. Anderson - GAIN May Owe You Money*" (TEMP GAIN 88) must be placed in the District Offices, CET Food Stamp redemption centers, GAIN offices, and specified educational facilities from January 15, 1995 through April 14, 1995. Persons who wish more information about this court case or who wish to file a claim are to contact the GAIN office.

59.36.4 Required Action

EWs in the District Offices have minimal responsibility in the implementation of the *Ys/as* court order. If a client calls and wants more information or wishes to have a claim form, he/she must be given the GAIN telephone number (928-3612). If a claim form is received, immediately forward the form to GAIN. The GAIN office is responsible for the processing of the *Ys/as* claim.

59.36.5 Referral to EW for Action

There may be cases where it is determined that a GAIN participant had their supportive services payments from GAIN stopped or reduced solely based upon the receipt of financial aid. If GAIN determines that an GAIN underpayment exists and there is an outstanding overpayment for either GAIN or AFDC, the claimant will be asked to allow the county to balance the underpayment against the overpayment. If the client agrees, the EW will be notified by CROP to take appropriate action on the AFDC overpayment balance.

59.37 *Sawyer v. Anderson*

59.37.1 Issue

AFDC/RCA/ECA recipients must be allowed the AFDC earned income disregards against Temporary Worker's Compensation (TWC) or Temporary Disability Indemnity payments (TDI).

59.37.2 Date

This change was effective with AFDC payments made in January, 1996, for currently eligible recipients. The retroactive portion of the *Sawyer* order will be processed beginning January 1, 1996 and ends March 31, 1996.

59.37.3 Retroactivity

The retroactive portion of this claim is effective from January 1, 1991 through December 31, 1995.

Benefits for the period prior to July 1992 will only be paid if the receipt of AFDC and TWC/TDI payment is indicated in the case record during the time period of January 1, 1991 through June 30, 1992. If the case record no longer exists or does not indicate receipt of a TWC/TDI payment, no benefits will be granted.

59.37.4 Identification

Cases which are eligible for recalculation of their income have been tracked through the CDS system back through 1994.

59.37.5 Informing

It is required that a poster be placed in each District Office and in the CET offices. The poster informs potential class members that they can make a claim and is to be displayed from January 2, 1996 through March 31, 1996.

59.37.6 Required Action

The CROP Unit will process all retroactive *Sawyer* claims.

The District Office EWs and/or clerical staff are responsible for:

- Providing the client with the *Sawyer* claim form “Welfare May Owe You Money” (TEMP 2107), if the client requests,
- Sending the case to the CROP Unit, if requested,
- Following any instructions provided by CROP EW to complete the application process.

59.37.7 Application

The CROP Unit will process retroactive *Sawyer* claims.

If a client is determined to be eligible for a corrective underpayment on a closed case, the CROP EW will:

- Balance any underpayment against outstanding overpayment balances, and
- Issue any remaining benefit to the client.

On active cases, instructions will be provided to the case carrying EW using the “EDP Overpayment Instructions” (SC 1580) when action below is needed to:

- Offset any overpayments with *Sawyer* corrective underpayments by reducing the balance owing on the current EDP, or
- Establish any overpayments by entering the appropriate BIC codes.

The EW must take the required actions within 10 working days of the receipt of the SC 1580.

**Reminder:**

The *Sawyer* payment is exempt as income or resources in the AFDC program.

59.38 *Langston v. Carlson*

59.38.1 Informing Notice

On September 11, 1991, the Superior Court for the County of Sacramento ruled that all current AFDC recipients must be informed that HA benefits will be available only once every 24 months. A warrant stuffer was mailed to all recipients on October 1, 1991. The language for the notice was as follows:

- “If you got homeless aid you got a notice which said you could get it again after 12 months.
- The law has been changed. Now you can get homeless aid only once every 24 months.
- If you have any questions, ask your worker.”

This notice was provided in English and translated into Spanish and Vietnamese.

59.38.2 Affected Cases

The court order in *Langston* pertains to:

- All cases pending from the effective date (August 15, 1991) of the Temporary Restraining Order, and
- Any case which self identifies as having been denied Homeless Assistance (HA) between August 1 and August 15, solely because of the 24 month rule.

59.38.3 Applications Made After the Informing Notice

The application shall be denied, due to the 24-month time period, if the client applied for HA:

- After the fifth working day from the date of the *Langston* informing notice (October 8, 1991), and
- The HA is pending due to this court order.

59.38.4 Order

The court specified in its order that the 24-month rule would not be applied to an AU if that AU has relied on a Notice of Action (NOA) or a Statement of Facts (e.g., CA 42) that stated it would again be eligible after a 12-month period.

The client who voluntarily became homeless prior to October 8, 1991 with the clear expectation that HA would be available after a 12-month period is entitled to receive a determination of HA eligibility after 12 months. Therefore, the EW must determine whether potential class members (who currently have their HA application in pending status) relied on this prior 12-month notice.

59.38.5 Eligibility and Payment

Those who are eligible for HA under the 12-month rule because of the *Langston* Court Order will have their eligibility provided in the following ways:

- Those AUs which continue to remain homeless will be eligible for current HA benefits as appropriate. The EW will evaluate the AU's current situation and provide temporary shelter HA benefits for up to 16 consecutive days anywhere from August 1, 1991 forward. The prior period and any ongoing eligibility may be combined as long as the period is consecutive and does not exceed 16 days. The period cannot precede the date of the request for benefits.
- Those AUs which are no longer homeless will be offered reimbursement for eligible expenses (temporary and/or permanent) for a prior period covered by the *Langston* Court Order. The period cannot precede the date of the request for benefits.

59.38.6 NOA

HA approvals or denials must be made to AUs within 24 hours of the determination of eligibility under the *Langston* Court Order. The standard NOA form must be used to transmit the approvals. The EW must write or type in the message and the regulation cite.

All denials under *Langston* must be made using the attached language on the NA 290 with the NA 6 backer. There are so few of these cases that this NOA will not be available on shelf stock. The language is as follows:

“The county has denied your request for homeless aid for:

Temporary Shelter

Permanent Housing

Dated: _____.

Here's why: You did not decide to leave your last home as a result of relying on what we told you before about being eligible for homeless aid after 12 months.”

Rules: These rules apply. You may review them at your welfare office: *Langston v. Carlson* Court Order

59.39 ***Paoli v. Anderson***

59.39.1 **Issue**

The lump sum rule is eliminated for the CalWORKs Program.

Lump sum income is treated as income in the month received and any unspent income becomes property the first of the following month. On-going property eligibility must be determined.

59.39.2 **Date**

The rule became effective December 1, 1997 for current cases.

59.39.3 **Retroactivity**

The retroactive portion of this claim will go back to October 1, 1996.

59.39.4 **Duration**

The final change in regulations was effective December 1, 1997. The retroactive portion for the *Paoli* claim occurred between August 15, 1998 through November 30, 1998. The CROP Unit is responsible for the retroactive portion of the *Paoli* order.

59.40 ***Beno v. Shalala and Welch v. Anderson***

59.40.1 **Issue**

The *Beno v. Shalala* and the *Welch v. Anderson* court cases challenged the legality of the AFDC grant cuts which occurred between December 1992 and May 1996.

59.40.2 **Date**

Under the final settlement in September 1998, the state mailed warrants for \$39.31 to class members. One warrant was issued to each identified AU. Any *Beno* warrants that were returned to the state as "un-deliverable" were distributed to the Emergency Food Assistance Program.

59.40.3 Retroactivity

There is no action required by counties under this court order.

There are no state appeal rights under the *Beno* settlement.

59.40.4 Duration

Upon the issuance of the *Beno* warrants the two above cases were completely settled by the state and the plaintiffs.

59.41 *Anderson v. Saenz*

59.41.1 Issue

The *Anderson v. Saenz* court case challenged the FNS policy to not exclude a vehicle as a resource when used to transport a physically disabled family member who receives SSI/SSP. FNS determined that when a motor vehicle is necessary to transport a physically disabled member of the CalWORKs family, that vehicle must be excluded in the property determination whether or not the disabled member's resources are counted towards the property limit of the AU

59.41.2 Date

The change became effective in February 2000.

59.41.3 Retroactivity

The retroactive portion of the claim goes back to January 1, 1998.

59.41.4 Informing

On or about May 22, 2000, the state mailed a "Welfare May Owe Someone In Your Home Cash or Food Stamps" (TEMP 2181) to all active SSI recipients. A small supply was sent to each District Office to be provided to customer's upon request.

A poster "Welfare May Owe Someone In Your Home Cash or Food Stamps" (TEMP 2182) is being sent to each District Office and CET office. The poster is to be displayed from the date of receipt through July 31, 2000.

59.41.5 Required Action

The CROP Unit will process all retroactive *Anderson v. Saenz* claims.

The District Office EWs and/or clerical staff are responsible for:

- Providing the customer with the TEMP 2181, if requested,
- Sending the case to the CROP Unit, if requested,
- Following any instructions provided by CROP EW to complete the application process.

59.41.6 Application

The CROP Unit will process retroactive *Anderson v. Saenz* claims.

The retroactive benefit amount is the amount of Food Stamps and/or CalWORKs benefits for which the AU would have been eligible except for the vehicle used to transport a disabled family member receiving SSI.

If a customer is determined to be eligible for a corrective underpayment on a closed case, the CROP EW will:

- Balance any underpayment against outstanding overpayment balances, and
- Issue any remaining benefit to the client.

On active cases, instructions will be provided to the case carrying EW using the “EDP Overpayment Instructions” (SC 1580) when action is needed to offset any overpayments with *Anderson v. Saenz* corrective underpayments by reducing the balance owing on the current EDP.

The EW must take the required actions within 10 working days of the receipt of the SC 1580.



Reminder:

The *Anderson v. Saenz* payment is exempt as income or resources in the CalWORKs program.