

DEPARTMENT OF SOCIAL SERVICES

74q P Street, Sacramento, CA 95814



August 5, 1991

ALL COUNTY LETTER NO. 91-75**TO:** ALL COUNTY WELFARE DIRECTORS**SUBJECT:** SALLIS COURT ORDER AND IMPLEMENTATION METHODOLOGY**REFERENCES:** ALL COUNTY LETTER NO 91-14, 91-18, MPP 44-111.2 ANU 44-113.2

On January 30, 1991, the Superior Court for the County of Sacramento approved the final order for the Sallis v. McMahon Court Case. The prospective portion of this lawsuit was implemented statewide on April 1, 1991 with ACLs No. 91-14 (dated 2/6/91) and 91-18 (dated 2/22/91). In accordance with the Sallis settlement the retroactive portion of the lawsuit will be implemented effective October 1, 1991. In order to ensure a uniform statewide claim period Counties must not implement the retroactive portion of the Sallis lawsuit before October 1, 1991.

The purpose of this ACL is to implement the retroactive portion of the Sallis Order. Sallis class members are those AFDC recipients and their families who received State Disability Insurance (SDI) benefits and were denied earned income disregards available in the AFDC program. The retroactive period covered by the Sallis Court Order is June 1, 1987 through March 31, 1991.

The State Department of Social Services will provide the Counties with a listing of AFDC recipients who received SDI benefits while on aid. This listing will be for the period August 1989 through March 31, 1991. The listing will be mailed out no later than September 1, 1991 and will provide the Counties an unduplicated list of potentially eligible class members broken out by:

- a. Case Number
- b. County where the client was on aid
- c. District, if applicable
- d. Worker

This listing will not identify those potential claimants whose eligibility for benefits is dependent on a period between June 1, 1987 and July 31, 1989. To notify individuals not on the State produced listing, Counties will be furnished posters in English and Spanish for display in Food Stamp outlets and County Welfare Departments. These posters will be displayed during the claim period and will be sent to the Counties on or before September 1, 1991. Translated versions of the Informing/ Claim Form (Temp 1800) other than the Spanish version, the Notices of Action (50-020 AT through DT) will also be sent to the Counties before September 1, 1991. If the Counties received a copy of the Temp 1800 claim form in a one of the five standard languages which told potential claimants that a claim form must be returned before October 31, 1991 the Claim form must be disregarded.

Attached are the following materials:

- o A Copy of ttle Draft Emergency Regulations (10/1/91 effective date)
- o Reproducible Copies in English and Spanish of the Informing/Claim Form (Temp 1800)
- o Reproducible Copies of the Notices of Action in English
- o Statistical Reporting Forms (Temp 1172)

The Sallis retroactive implementing regulations will be filed on or before September 21, 1991 and will have an effective date of no later than October 1, 1991. Counties should use the attached draft regulations to plan and prepare for the October 1, 1991 implementation date of the regulations. Counties will receive an adopted copy of the Sallis retroactive regulations approved by the State Office of Administrative Law as soon as they are available.

Food Stamps

For Food Stamp Program purposes, any retroactive AFDC payments made to Food Stamp households pursuant to this court case, will be considered non-recurring lump sum payments and as such will be excluded from income (MPP 63-502.2 (j)). However, these AFDC payments will be counted as a resource in the month received in accordance with MPP 63-501.111. If you have any questions about the impact of these AFDC payments on the Food Stamp program, please call M3. Mary Clark at (910) 324-2015 or ATSS 8-4 4-2015.

Overpayments

Retroactive benefits due and owing must be offset against any outstanding overpayments as required by MPP 44-340.42 which states "When an assistance unit has both an underpayment and an overpayment, the County shall balance one against the other before making a retroactive corrective payment". For clients no longer on assistance, the County must still offset the retroactive payment against any outstanding overpayment. Before issuing any retroactive payments, Counties must review each case to confirm that cl8ss members do not have any existing overpayment(s).

Fiscal Claiming

Sallis corrective underpayments are benefits eligible for Federal Financial participation. Normal Claiming procedures apply for these payments and the standard sharing ratios will be used.

Clai.ms Process

Claimants identified by the State who are currently on AFDC will have their retroactive benefits calculated and paid if appropriate without the submission of a claim form and if possible without requiring the claimant to come in person to the Welfare office.

Potential claimants identified by the State not currently on AFDC must submit an Informing/Claim form (Temp 1800). Counties will be responsible for transmitting Informing/Claim form(s) to these potential claimants. Potential Claimants who self-identify from the posters or other means will also be provided Informing/Claim forms by the Counties.

If a claimant is denied earned income disregards due to the late receipt of a CA 7, the claimant may claim good cause for returning the CA 7 late. Any claim for good cause for a late CA 7 will be evaluated using the criteria in EAS 41-181.23.

Statistical Reports

A copy of the Sallis retroactive report form (1172) is attached. The report is due no later than May 30, 1992, and is limited to:

- a. Number of Claims received
- b. Number of Cases paid
- c. Number of Claims denied
- d. Total amount of benefits paid

If you have any questions or need any assistance regarding the retroactive provisions of the Sallis Court order or the attached materials, please contact Mr. Vincent Toolan at (916) 324-2007 or (ATSS) 8-454-2007.



ROBERT . HOREL
Deputy Director

cc: CWDA