

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



October 9, 1998

ALL COUNTY INFORMATION NOTICE I-56-98

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS

REASON FOR THIS TRANSMITTAL

- State Law Change
 Federal Law or Regulation
Change
 Court Order
 Clarification Requested by
One or More Counties
 Initiated by CDSS

SUBJECT: OVERPAYMENT OFFSET IN THE CALWORKS PROGRAM

REFERENCE: MPP 44-351.3

The purpose of this All County Information Notice is to reiterate California Department of Social Services (CDSS) policy regarding the offsetting of overpayments against underpayments. Manual of Policies and Procedures Section 44-351.3 states, "When an assistance unit has both an overpayment and an underpayment, the county shall offset one against the other." This regulation remains in effect despite the filing of the Lopez v. Anderson (Sacramento County Superior Court No. 97CS00135) lawsuit challenging the regulation. The court has found for CDSS and has upheld the regulation.

Although plaintiffs have appealed this ruling, counties are required to follow the regulation until further notice from CDSS. When the counties apply an offset to an underpayment, the county must send a separate Notice of Action to inform the assistance unit of the county action taken. Counties may not use the underpayment Notice of Action to inform the assistance unit of the cut in retroactive benefits. Counties should be aware that the offsetting regulation applies to underpayments, but not to any court ordered interest on underpayment, so those interest payments cannot be offset.

If you have any questions about the offset regulation, please contact Henry Puga at (916) 654-1068.

Sincerely,
Original Document Signed by
Charr Lee Metsker on 10/9/98
CHARR LEE METSKER, Chief
Employment and Eligibility Branch

c: CWDA
CSAC