

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



October 22, 1984

ALL-COUNTY LETTER NO. 84-109

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: SHAW V. McMAHON

REFERENCE: FEDERAL LUMP SUM REGULATION AND STATE-ONLY AFDC-U

This is to inform you that on September 20, 1984 a Notice of Decision for Judgment Granting a Permanent Injunction and Writ of Mandate was issued by Judge Dolgin of the Superior Court of Contra Costa County, in the case of Shaw v. McMahon. A copy of the Notice of Decision is attached.

This order requires counsel for the Department and the Plaintiffs to agree upon a final order for the court to issue which will prohibit the Department from applying the federal lump sum regulation when determining eligibility for the state-only AFDC-U program. The issue is essentially the same as the one being litigated in the Reyna case except that Reyna applies to the "striker" provision while Shaw applies to the lump sum income provision. Even though we intend to appeal this decision, the Department intends to implement the final court order as soon as possible. So that we may gain time to negotiate the final order without prejudicing the affected applicants and recipients we are asking that certain cases be flagged.

Therefore, all counties must flag or otherwise identify all cases in which the lump sum income regulation (EAS 44-207.4) has resulted in either a denial, termination, or suspension of AFDC benefits since September 20, 1984. In order to ascertain county compliance, we request that you complete and return the attached certification form no later than two weeks from the date of this letter. If you have any questions, please contact Bob Stipe, AFDC Program Development Bureau at (916) 324-2012.

A handwritten signature in cursive script that reads 'Robert A. Horel'.

ROBERT A. HOREL
Deputy Director

Attachment