

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

16) 324-2009



June 20, 1986

ALL COUNTY LETTER NO. 86-55

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: RUTAN V. McMAHON COURT CASE

REFERENCE: ALL COUNTY LETTER NO. 86-45
ALL COUNTY WELFARE DIRECTORS
MEDS TRANSMITTAL OF JUNE 10, 1986

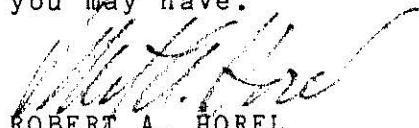
The purpose of this letter is to confirm the information transmitted to you through the MEDS Electronic Mail System on June 10, 1986 regarding ACL 86-45, and to transmit a copy of the Temporary Restraining Order (TRO) recently issued in the Rutan v. McMahon court case.

ACL 86-45 instructed all counties to send a lump sum informing notice by July 15, 1986 to all AFDC, RCA, ECA and RDP recipients. On June 9, 1986, the Superior Court of Alameda County issued a TRO in the Rutan case prohibiting the issuance of the proposed lump sum informing notice. The MEDS message transmitted June 10, 1986 notified counties to cease all activity related to the informing notice. The TRO does not affect the application of the current lump sum rules nor the change in the treatment of certain types of lump sums as described in ACL 86-45. The target date for implementing the change in federal law (August 1, 1986) will be modified if a preliminary injunction is granted.

The plaintiffs' attorneys have requested a preliminary injunction to, among other things, enjoin the Department from applying the lump sum regulations to recipients who do not receive a "clear, intelligible written explanation" (sic) of the rule prior to receipt of the lump sum income, and to also prevent recoupment of overpayments resulting from application of the lump sum regulations without such explanation. In addition, retroactive relief is being sought.

The proposed preliminary injunction will be heard on June 27, 1986. Until and unless a preliminary injunction is granted, the rules regarding lump sum income apply.

Please contact Lynne Reich on (916) 324-2009 with any questions you may have.



ROBERT A. HOREL
Deputy Director

Attachment

cc: CWDA