

## DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

September 20, 1995

ALL COUNTY LETTER NO. 95-55

REASON FOR THIS TRANSMITTAL

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

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: REGULATIONS ESTABLISHING A PRIORITY ORDER FOR  
 RECOUPING AN OVERPAYMENT IN THE AFDC PROGRAM

REFERENCES: FEDERAL ACTION TRANSMITTALS 94-11 AND 94-20

The purpose of this letter is to transmit the enclosed proposed emergency regulations concerning the priority order to collect overpayments in the Aid to Families with Dependent Children (AFDC) program. The regulation changes are a result of the Administration for Children and Families, Action Transmittals (AT) 94-11 and 94-20. The regulations will be filed with the Office of Administrative Law in November and we anticipate they will become effective December 1, 1995.

The regulations will require the county to first seek recoupment from the caretaker relative recipient, even when he/she is no longer on aid. The county must continue recovery efforts with the caretaker relative recipient until any of the following circumstances exist:

1. The caretaker relative dies, and the county cannot collect the entire unpaid balance of the overpayment from the caretaker relative's estate;
2. The caretaker relative cannot be located;
3. The caretaker relative has the overpayment discharged in bankruptcy; or
4. The county is unable to execute a legal process to collect.

Collection from the other members of the assistance unit (AU) is not initiated until all efforts to collect from the caretaker relative recipient are exhausted. When the county is no longer able to collect from the caretaker relative, the county must collect the overpayment from the members of the overpaid AU until the amount of the overpayment is fully recovered, or the county determines that it is no longer cost effective to collect the remainder of the overpayment.

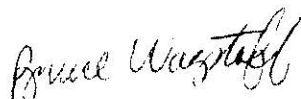
Under the new policy there is no priority order for recoupment of the overpayment from the other members of the AU. Collection can occur in sequence against one member at a time, or be collected concurrently from any of the members when in separate AUs or unaided.

The caretaker relative who was not a member of the AU when the overpayment occurred did not benefit from the overpayment and, therefore, is not responsible for the overpayment. In these cases, the county must collect from the other members of the overpaid AU.

Each county is responsible for developing procedures for locating former recipients. Some suggested ways to locate former recipients who have outstanding overpayments are referenced in the Code of Federal Regulations (CFR). These include using appropriate data sources such as State employment insurance files, State tax returns and automobile registration, or any other files that could be useful in locating former recipients [45 CFR 233.20(a) (13) (iv)].

If you have any questions regarding these regulations, please contact Ms. Joelyn Walters at (916) 654-1803 or CALNET 464-1803.

Sincerely,



BRUCE WAGSTAFF  
Acting Deputy Director  
Welfare Programs Division

Enclosure