

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814  
(916) 324-0097



February 21, 1985

ALL-COUNTY LETTER NO. 85-25

TO: ALL-COUNTY WELFARE DIRECTORS

SUBJECT: IMPLEMENTATION OF AFDC COURT ORDER, SHAW V. McMAHON

REFERENCE: EAS 44-207.4; ALL-COUNTY LETTER NO. 84-109

On January 23, 1985, the Contra Costa Superior Court issued a final judgment and order in the case of Shaw v. McMahon (No. 262299). A copy of the Judgment and Order Granting Permanent Injunction and Writ of Mandate is attached (Attachment A). This class action prohibits the Department from applying the federal lump sum regulation when determining eligibility for the state-only AFDC-U program.

Effective back to October 1, 1984 for retroactive cases and prospectively from the date of this letter, counties must determine if those persons ineligible for federal AFDC because of the lump sum provision are eligible for the state-only AFDC-U program. This will require: 1) a review and eligibility determination for cases flagged per ACL 84-109; 2) prospective application of the policy to new applications and cases discontinued from federal AFDC due to the lump sum rule; and 3) responding to applications from former recipients as a result of the Stephens notice process (refer to ACIN I-106-84 and ACLs 84-125 and 85-13 regarding Stephens). The poster and Medi-Cal stuffer used to implement Stephens v. McMahon were written to include the Shaw class. The Stephens poster will have been posted in county waiting rooms and food stamp outlets by March 1, 1985. The Stephens stuffer will be included with the March Medi-Cal card.

Counties are also required to provide verification to the Department that you are applying the Shaw order to all current cases (Attachment F), and to complete the attached statistical report on Shaw and return it to the Department by August 1, 1985 (Attachment E). Specific detailed county instructions for complying with the Shaw order are attached (Attachment B) along with the Shaw Notices of Action (Attachment C).

If you have any questions, please contact Kathy Layne, AFDC Program Development Bureau at (916) 324-0097.



ROBERT A. HOREL  
Deputy Director  
Welfare Program Operations

Attachment

**ATTACHMENTS**

Attachment A -- Judgment and Order

Attachment B -- Detailed Implementing Instructions

Attachment C -- Notices of Action

Attachment D -- Flagged Case Notice

Attachment E -- Statistical Report

Attachment F -- Certification Form

**ATTACHMENT A**

**Shaw v. McMahon Judgment and Order**

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JANE GRANT KERR  
ELIZABETH R. ARNOLD  
JOE ARIZU RODRIGUEZ  
CONTRA COSTA LEGAL SERVICES FOUNDATION  
1017 Macdonald Avenue, P. O. Box 2289  
Richmond, California 94802

CASEY McKEEVER  
WESTERN CENTER ON LAW AND POVERTY  
1900 K Street, Suite 200  
Sacramento, California 95814  
Telephone: (916) 442-0753

Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF CONTRA COSTA

TAMIE SHAW,  
  
Plaintiff,  
  
v.  
  
LINDA McMAHON, et al.,  
  
Defendants.

FILED  
JAN 20 1985  
J.R. OLSSON, County Clerk  
CONTRA COSTA COUNTY  
By \_\_\_\_\_  
S. Lee, Deputy

)  
)  
) NO. 262299  
)  
) ~~PROPOSED~~ JUDGMENT  
) AND ORDER GRANTING  
) PERMANENT INJUNCTION  
) AND WRIT OF MANDATE  
)  
)

Plaintiff's motion for preliminary and permanent injunctions and for writ of mandate came on regularly for hearing on September 19, 1984. On September 20, 1984, the Court issued a Notice of Decision for Judgment Granting Permanent Injunction and Writ of Mandate. On November 20, 1984, defendants subsequent Motion to Set Aside the September 20, 1984 Decision of the Court came on for hearing. At both hearings plaintiff was represented by attorney Jane Grant Kerr and state defendants were represented by Deputy Attorney General Charlton G. Holland. The court having considered the oral arguments and memoranda

1 of points and authorities, and all other pleadings and documents  
2 on file in this case and good cause appearing,

3 IT IS ORDERED as of October 1, 1984, that defendants,  
4 together with their agents, employees, and successors in interest,  
5 are enjoined and prohibited from applying EAS 44-207.4, the  
6 federal lump sum rule, to the state-only AFDC program, including  
7 single parent and two parent households.

8 In implementation of the foregoing order,

9 IT IS FURTHER ORDERED that:

10 1. All-County Letter

11 Defendant McMahon and the Department of Social Services  
12 shall issue an All-County Letter within 30 days of  
13 the date of this order informing the County Welfare Departments  
14 of the terms of this order and instructing them to comply  
15 with the terms of the judgment, which shall be enforced immediately  
16 for all new applications and continuing cases from the date  
17 of said All-County Letter, for all cases identified pursuant  
18 to All-County Letters #84-109 and #84-125, and for all cases  
19 identified pursuant to the methods described below.

20 The All-County Letter shall also instruct the County  
21 Welfare Departments to inform all recipients of lump sum income,  
22 at the time they are notified of a period of ineligibility  
23 for federal AFDC, that they may be eligible for 3 months  
24 of state-only AFDC after they have spent their lump sum to  
25 below the AFDC resource level.

26 ///

27 ///

1           2.    Poster

2           As soon as administratively feasible but no more  
3    than 30 days from the date of this order, defendant McMahon  
4    and the Department of Social Services shall issue a poster  
5    in English and Spanish informing potentially eligible persons  
6    of their right to apply for benefits under the Shaw case.  
7    These posters shall be posted in all-county welfare departments  
8    and food stamp offices in a conspicuous area open to the public.  
9    The information required by this paragraph may be combined  
10   with the poster which is to be issued under the stipulated  
11   judgment in the case of Stephens v. McMahon (San Diego Superior  
12   Court No. 528588; judgment issued November 8, 1984).

13           3.    Individual Notice

14           Defendant McMahon and the Department of Social Services  
15   shall send a notice in English and Spanish, in a Medi-Cal  
16   mailing on March 1, 1985, in combination with the notice required  
17   by paragraph 6(f) of the Stipulated Judgment in the case of  
18   Stephens v. McMahon to those persons identified in paragraph  
19   6(g) of the Judgment in Stephens v. McMahon. Said notice  
20   shall be substantially the same as the notice in Stephens.

21           4.    Walk-In Applications

22           Any eligible persons, whether previously identified  
23   by defendants or not, who apply prior to May 1, 1985, shall  
24   have their Shaw benefits evaluated from October 1, 1984.

25           5.    Monitoring

26           Defendant McMahon shall submit to plaintiff's counsel  
27   and file a return with the court by September 1985 reporting by

1 county the following information for AFDC cases involving  
2 lump sums from the date of this order through April 30, 1985:

3 a. The number of cases where state-only benefits  
4 were granted;

5 b. The number of cases where state-only benefits  
6 were denied;

7 c. The total amount of state-only benefits paid.

8 Furthermore, each county shall provide verification  
9 to the Department that it is applying the Shaw case to all  
10 current cases. As part of the verification process, each  
11 county shall supply the Department with the steps taken and  
12 the written material, if any, each county has disseminated  
13 to implement the Shaw case. The Department shall supply plaintiff's  
14 counsel with copies of such verification and materials furnished.

15 d. Defendants shall provide a copy of all instructions  
16 and notices sent by DSS pursuant to this order to plaintiff's  
17 counsel within 5 days after they are sent to the counties.

18 6. No Bond

19 The above order shall issue without plaintiff's  
20 filing a bond.

21 7. Jurisdiction

22 The court retains jurisdiction for one year to ensure  
23 compliance with this order.

24 8. Costs and Attorneys' Fees

25 Plaintiff is awarded costs and attorneys fees.  
26 Plaintiff's counsel shall file an application for attorneys  
27 fees within 30 days of the date of this order.

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9. Nature of Injunction

The provisions of this injunction are prohibitory,  
and shall not be stayed if an appeal is filed by defendants.

SO ORDERED.

DATED: JAN 23 1985

DAVID A. DOLGIN  
\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT

Approved as to form only:

  
\_\_\_\_\_  
CHARLTON G. HOLLAND  
Supervising Deputy Attorney General

ATTACHMENT B

Detailed Implementing Instructions for Shaw v. McMahon

## SHAW v. MC MAHON IMPLEMENTING INSTRUCTIONS

### BACKGROUND

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 Contra Costa County Superior Court. The order required the State Department of Social Services (SDSS) and plaintiffs to agree upon a final order. Counties were requested to 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 (flagging instructions were issued by ACL 84-109).

On January 23, 1985 a final order was issued which prohibits the SDSS from applying the federal lump-sum regulation to the state-only AFDC-U Program, including both single parent and two-parent households.

A Stephens poster was issued and a March Medi-Cal Stephens stuffer will be issued by SDSS informing potential eligibles of their right to apply for benefits. The poster and stuffer were written to include individuals affected by Shaw.

### PROSPECTIVE IMPLEMENTATION

Prospective implementation of the order requires counties to issue the attached Notice of Action (Attachment C) to all Assistance Units (AUs), whether one or two parent households, being discontinued from federal AFDC due to receipt of a nonwindfall lump-sum of money. If the family chooses to apply for state-only AFDC, the county shall determine eligibility considering the money as income in the month of receipt and as property thereafter to the extent that it is retained. The maximum period of state-only AFDC-U remains three months and all other state-only AFDC-U rules apply. Therefore, in order to get state-only AFDC-U a principal earner cannot be eligible for the federal AFDC-U program in accordance with EAS 41-440. For example, if the principal earner meets all of the eligibility conditions for federal AFDC-U including the connection with the labor force, the family is not eligible for state-only AFDC-U benefits under the Shaw order. The period of ineligibility for federal AFDC runs concurrently with any receipt of state-only AFDC. Receiving state-only AFDC does not lengthen the period of ineligibility for federal AFDC.

### FLAGGED CASES PER ACL 84-109

For all federal AFDC cases identified in which the lump-sum income regulation (EAS 44-207.4) has resulted in either a denial, termination, or suspension of benefits since October 1, 1984, counties must now go back and redetermine eligibility and grant amounts for state-only AFDC following the policies below. However, if the adverse action was due to receipt of a windfall lump-sum payment, then the case is a Stephens case, and not subject to the following Shaw policy and procedures:

1. Lump sum income received which is not a one time windfall payment, such as a check for retroactive unemployment benefits, shall for purposes of state only AFDC-U be considered as income in the month received and property in the following months to the extent that it is retained. This is the way all lump-sums were treated prior to the 1981 change in federal law.
2. The CWD shall contact the claimant for each flagged case and conduct a face-to-face interview advising the claimant of the Shaw order.
3. The county shall use the Notice in Attachment D to contact the claimant. The purpose of the interview is to explain the impact of Shaw and to help the claimant determine if he/she should apply and what the initial month should be.

#### APPLICATION FOR PAYMENT AND CLAIM PROCESSING RETROACTIVE AID

The following applies to all cases whether identified by the county welfare department or by the claimant as a result of posters, stuffers, or other publicity.

In order to be eligible to receive benefits back to October 1, 1984, the claimant shall be required to do the following:

1. Complete and submit to the CWD a claim form (a CA 1 on which the CWD will mark Shaw v. McMahon Claim) no later than April 30, 1985. The date submitted shall be determined as follows:
  - a. If the claim is mailed to the CWD, the postmark date of the envelope; or
  - b. If the claim is delivered in person to the CWD, the date stamped on the claim; or
  - c. If the date cannot be determined by (a) or (b) above, the date the claim was signed.
2. Come in to the CWD for the face-to-face meeting. If the claimant is unable to come in for a face-to-face interview, the claimant shall be contacted by telephone or mail. The purpose of the face-to-face interview is to explain the state only program to the claimant and to determine the initial month of state only AFDC-U which results in the greatest benefits to the claimant.
3. Complete a CA 2 and such CA 7s as are necessary and appear for a face-to-face interview to determine eligibility (the CA 2 and CA 7s shall be marked by the CWD Shaw v. McMahon Claim). The Shaw CA 1 and CA 2 shall be for the initial month of benefits claimed. If the claimant is not eligible for benefits in the initial month for which benefits are claimed, the Shaw CA 1 and CA 2 will be retained and supplemented with information from subsequent CA 7s until eligibility, if any, is established.

4. Indicate the CWD which denied, terminated, or suspended on the Shaw CA 1 (use block number three for this purpose).
5. Cooperate in obtaining all information/verification necessary to process the claim. Affidavits or declarations under penalty of perjury shall be adequate documentation for this purpose if the claimant is unable to provide all the necessary information/verification. However, in this case, the claimant is required to authorize the CWD to obtain the information. Failure to provide the needed information/verification, sign a release, and/or sworn statement as indicated above shall result in denial of the claim.
6. When granting a case prospectively, a claimant must meet all appropriate conditions of eligibility; e.g., work registration or child support, etc.

In order to process the claimant's application for benefits back to October 1, 1984, the CWD shall be required to do the following:

1. Provide and/or mail the appropriate claim form(s) to the claimant upon request.
2. Stamp each returned claim with the date the claim was received by the CWD and the name of the county of receipt.
3. When the CWD receives a Shaw claim form (CA 1) on which the claimant indicates another CWD as the CWD which denied, terminated or suspended aid, the CWD shall, with the assistance of the claimant, obtain whatever pertinent information (e.g., NOAs, CA 2s, CA 7s) is required to process the claim for back benefits from the former CWD. The request may be in writing or by phone.
4. When a CWD receives a claim form (CA 1) on which the claimant indicates he/she lives in another county, the CWD shall stamp on the claim form the date it was received and forward the claim to that county for the determination of eligibility and amount of back benefits. In addition, the first CWD shall inform the claimant in writing that his/her claim has been forwarded to the welfare department in the county where he/she lives. (NOTE: The date of submittal of the claim form (CA 1) by the claimant shall be the date it was submitted to the first CWD.)
5. Determine eligibility and issue back benefits to eligible claimants or deny the claim, as appropriate, within 45 days of receipt of the completed claim forms. The 45-day time period shall run from the submission of all Shaw CA 7s and the Shaw CA 2.
6. Issue a Notice of Action within this same 45-day period to the claimant indicating:

- a) Disposition of the claim,
- b) Computation of back aid, and
- c) The claimant's right to request a state hearing.

Inability to complete the determination of eligibility within the 45-day period shall not be the basis for denying the claim unless the delay is caused by the refusal of the claimant to participate in the obtaining and supplying of all information/verification necessary to process the claim. The specified time limit may be exceeded in situations where completing of the determination of eligibility is delayed because of circumstances beyond the control of the CWD. In these instances, the case record must show the cause of the delay.

7. The attached reproducible copies of the Notices of Action (Attachment C) are to be used for informing Shaw v. McMahon claimants of the disposition of their claim. We have attempted to provide notices for the majority of the case situations but the notices provided are not all inclusive. For situations that do not fit the notices provided use the "Shaw v. McMahon - General Notice" and "Shaw v. McMahon - General Notice Continuation Page". The Continuation Page is to be used only as an attachment to the General Notice and is not to be used alone.

You must copy the attached Notices with the enclosed NA 5 back on the reverse side. When you copy the General Notice Continuation Page, leave the reverse side blank. In the event that it is necessary to send more than one notice to a claimant, all approval and denial notices, with the exception of the Notice for Incorrect County, must be sent to the claimant at the same time.

The reproducible copies attached to this letter are only the English version of the notices. The Spanish translations will be forthcoming.

Attachment C contains the following reproducible copies:

- a. Shaw v. McMahon - General Notice
- b. The current NA 5 to be used with the General Notice
- c. Shaw v. McMahon - General Notice Continuation Page
- d. Instructions for use of General Notice
- e. Shaw v. McMahon Denial Notices
  - Withdrew Claim
  - Failure to Provide Information
  - Late Claim
  - Excess Property
  - Principal Earner Eligible for Federal AFDC
  - Already Received 3 Months State AFDC
  - Not Class Member

- f. Instructions for Completing Denials
- g. Notice for Incorrect County
- h. Instructions for Completing Incorrect County Notice
- i. Shaw v. McMahon Approval Notice
- j. Instructions for Completing Approval Notice
- k. Shaw v. McMahon Approval with Adjustment
- l. Instructions for completing Approval with Adjustment Notice

In addition to Shaw v. McMahon notices, included with Attachment C is M44-207S (2/85) (Temporary) to use for recipients receiving a lump-sum.

- 8. Deny back benefits to those claimants who submit claim forms after April 30, 1985. However, these persons may still be entitled to prospective AFDC benefits if eligibility is established (either federal or state-only depending on whether they have a continuing period of eligibility).
- 9. Submit to the SDSS the attached statistical report (Attachment E) on or before August 1, 1985. The report includes the following:
  - a) The total number of Shaw v. McMahon claims;
  - b) The total number of claims granted;
  - c) The total number of claims denied; and
  - d) The total amounts paid (including retro payments offset by outstanding overpayments).
- 10. Submit to SDSS, on or before April 1, 1985, an explanation of what steps the CWD has taken to implement the Shaw court case along with any written material the CWD disseminated to implement the case and the attached county certification form (Attachment F). For example, the CWD shall send to the department copies of any instructions and worksheets the CWD issued to their staff (including the date they were issued) which interpret or implement these instructions. Please mail these documents to:

Department of Social Services  
 AFDC Program Development Bureau  
 744 "P" Street, MS 16-25  
 Sacramento, CA 95814

Attention: Kathy Layne

#### Determination of Potential Eligibility for Back Benefits

Claimants potentially eligible to receive back benefits are individuals who received a nonwindfall lump-sum of money on or after April 2, 1982, had the lump-sum income regulation applied (EAS 44-207.4), had a resulting period of

ineligibility due to the lump sum rule on or past October 1, 1984, did not meet the standards for the federal AFDC U program as contained in EAS 41-440, but were otherwise eligible for state-only AFDC.

The CWDs shall redetermine eligibility for state-only AFDC if the claimant's period of ineligibility for federal AFDC existed on or after October 1, 1984, and the information provided by the claimant indicates that he/she would have been otherwise eligible for state-only AFDC. The claimant will be reimbursed for no more than three months of state-only AFDC in any 12-consecutive-month period. If as a result of this redetermination of eligibility for state-only AFDC, the claimant's resources exceed the resource limit, or the claimant is otherwise ineligible, the claim shall be denied. The state-only AFDC grant does not affect the claimant's period of ineligibility for federal AFDC.

(NOTE: If the claimant has already received three months of state only AFDC in a 12 consecutive-month period the claimant is not eligible for any additional state-only AFDC-U. The claimant may apply for additional state only benefits after the 12-consecutive month period.)

#### Determination of the Amount of Back Benefits

The amount of back benefits paid to the claimant shall be the total of the aid payments the claimant is determined eligible for, minus any outstanding recoupable uncollected non-Collins overpayment. The overpayment recoupment shall be in accordance with EAS 44-352. Outstanding uncollected overpayments may not be balanced. (EAS 44-351.3 does not apply.)

#### Examples

1. An assistance unit of three with no other outside income or resources received retroactive UIB of \$2,775 in August 1984 and reported it in September on the August CA 7. In August, the assistance unit used \$2,000 for a down payment on a house. The county applied the lump sum rule (EAS 44-207.4) to the federal AFDC and computed a five-month period of ineligibility to begin on October 1, 1984 (\$2,775 divided by \$555 = five months). The claimant files a Shaw v. McMahan CA 1 for October 1984 with the CWD requesting Shaw back benefits. The CWD schedules a conference with the claimant and assists the claimant in completing a Shaw v. McMahan CA 2 for November and CA 7s for the two subsequent months (December, January). The CWD obtains whatever other information is needed from the claimant or through third-party contacts. After reevaluation under these instructions it is determined that the claimant's resources were below the limit for all three months, the claimant had no other outside income, and all other conditions of eligibility were met, so the claimant is eligible to receive the \$555 aid payment for November, December and January.
2. An assistance unit of three with no other outside income received retroactive UIB of \$3,330 in August 1984 and reported it in September on the CA 7. The county applied the lump sum rule and computed a six-month period of ineligibility to begin October 1984 (\$3,330 divided by 555 = six months and extending through March 1985). The



claimant files a Shaw v. McMahon application on April 3, 1985 for November 1984 requesting Shaw back benefits by completing a CA 2 for November and CA 7s for each of the subsequent ineligible months (December, January, February, and March). After reevaluation under these instructions, it is determined that the claimant's resources were above the \$1,000 resource limit for November, December and January. The resources were below the limit for February, the claimant had no other outside income, and all other conditions of eligibility were met. The same circumstances as February existed in March. The claimant is eligible to receive a \$555 state-only AFDC aid payment for only February and March. A CA 2 could be completed for April and federal AFDC granted if the assistance unit were eligible.

#### Delivery of the Retroactive Payment

The back payment shall be delivered to the claimant by the CWD in accordance with MPP Section 44-305.26. The back payment received by the claimant shall not be considered income or property for AFDC in the month of receipt or in the following month in accordance with MPP Section 42-213.2(h).

A Notice of Action explaining how the back payment was computed and informing the claimant of the right to request a state hearing shall be sent to the claimant no later than the date of payment.

#### Status of the Retroactive Payment

For purposes of determining continuing eligibility and amount of assistance, these payments shall not be considered as income or as a resource in the month paid nor in the next following month per EAS 44-340.6.

**ATTACHMENT C**

**Notices of Action**

ATTACHMENT C

NOTICES OF ACTION

- a. Shaw v. McMahon - General Notice
- b. NA Back 5 to be used with the General Notice
- c. Shaw v. McMahon - General Notice Continuation Page
- d. Instructions for use of General Notice
- e. Shaw v. McMahon Denial Notices
  - Withdrew Claim
  - Failure to Provide Information
  - Late Claim
  - Excess Property
  - Principal Earner Eligible for Federal AFDC
  - Already Received 3 Months State AFDC
  - Not Class Member
- f. Instructions for Completing Denials
- g. Shaw v. McMahon Notice for Incorrect County
- h. Instructions for completing Incorrect County Notice
- i. Shaw v. McMahon Approval Notice
- j. Instructions for Completing Approval Notice
- k. Shaw v. McMahon Approval with Adjustment
- l. Instructions for completing Approval with Adjustment Notice
- m. M44-207S (2/85) Temporary Lump-Sum Notice

# Notice of Action

*If you have questions or want more information about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

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Description of the Action, Amount, Reason(s), Comments.

**Authority.** Shaw v. McMahan Stipulated Judgment and Order; ACL 84-109 and 85-25. You may review them at your welfare office.

State Hearing. If you think we are wrong, you may ask for a hearing. If you want a hearing, you must ask for one within 90 days from the date this notice is mailed. The back of this page tells how.

Shaw v. McMahan — General Notice

# Your Right to Appeal This Action

If you are dissatisfied with the action described on the other side, or any other county action, you may request a state hearing before a Hearing Officer of the State Department of Social Services. This hearing will be conducted in an informal manner to assure that everyone present is able to speak freely. Your county or adoption worker can help you request a hearing. If you decide to request a hearing you must do so WITHIN 90 DAYS OF THE MAILING DATE OF THIS NOTICE.

**FOOD STAMPS AND CASH AID†:** If this action stops or reduces your food stamps or cash aid and you ask for a hearing before the effective date of the action, your benefits may continue unchanged under certain circumstances until the hearing or until you receive your hearing decision. Food Stamps will not continue past the end of your current certification period.

## Authorized Representative

You can represent yourself at the state hearing. You can also be represented by a friend, attorney or any other person, but you are expected to arrange for the representative yourself. You can get help in locating free legal assistance by calling the toll-free number of Public Inquiry and Response.

## How to Request a State Hearing

The best way to request a hearing is to fill in and send this entire notice to:

You may also request a hearing by calling the toll-free number of Public Inquiry and Response.

## Public Inquiry and Response (Public Information)

**Toll-Free Number: (800) 952-5253\***

For the Deaf Only TDD (800) 952-8349\*

\*You may have to dial "1" first.

The State Public Inquiry and Response Unit can provide you with further information about your hearing rights or files or other welfare-related matters. Assistance is also available in some languages other than English, including Spanish. You may phone, write or come in.

Public Inquiry and Response  
State Department of Social Services  
744 P Street, Mail Station 16-23  
Sacramento, CA 95814

## Request for a State Hearing

Name	Phone number		
Address		City	State
			Zip Code

I am requesting a state hearing because of an action by the welfare department of \_\_\_\_\_ county related to my family's:  Cash Aid  Food Stamps  Medi-Cal  Adoption Assistance Program Payments

Reasons for my request:

I speak a language other than English and need an interpreter for my hearing. (The state will provide the interpreter at no cost to you.)

Language	Dialect
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†If you request a state hearing and your benefits continue unchanged, the county can recover as an overpayment the cash aid and value of food stamps the hearing decision finds you were not eligible for. If you remain eligible to receive cash aid after the hearing, and you have no other income or resources, your grant will be reduced by 10% each month until the full amount of such overpayment is collected. If you do have other income or available property, the amount your grant will be reduced each month will be greater.

Check here if you want your benefits reduced or discontinued now, as described in this Notice of Action.

Cash Aid  Food Stamps

If you checked the box(es) and the hearing decision is in your favor, any lost benefits will be made up.

Signature	Date
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The information you provide on this form is needed to process your request for a hearing, and processing may be delayed if your request is incomplete. A case file will be set up by the Chief Referee. You have a right to examine the materials that make up the file and may

do so by contacting Public Inquiry and Response. Any information you provide may be shared with the county welfare department, with the U.S. Department of Health and Human Services, or the U.S. Department of Agriculture. Authority W&IC 10950.

# Notice of Action

*If you have questions or want more information about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

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• •

Description of the Action, Amount, Reason(s), Comments.

**Authority.** Shaw v. McMahon Stipulated Judgment and Order; ACL 84-109 and 85-25. You may review them at your welfare office.

State Hearing. If you think we are wrong, you may ask for a hearing. If you want a hearing, you must ask for one within 90 days from the date this notice is mailed. The back of this page tells how.

Shaw v. McMahon — General Notice Continuation

### **Instructions for Use of General Notice**

For the majority of case situations the other notices in Attachment C have been prepared for use by the county welfare department. However, for those less common situations in which the CWD may need to develop additional messages to meet individual case circumstances the Department has developed two blank notices to be used. These are the **Shaw v. McMahon** General Notice and the **Shaw v. McMahon** General Notice Continuation Page. The Continuation Page is to be used only as an attachment to a General Notice and is not to be used alone.

# Notice of Action

*If you have questions or want more information about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

• •  
  
• •

Description of the Action, Amount, Reason(s), Comments.

Under the Shaw v. McMahon court case, you have claimed back aid for \_\_\_\_\_ / \_\_\_\_\_  
(Month/Year)  
through \_\_\_\_\_ / \_\_\_\_\_  
(Month/Year)

We have denied your claim because you withdrew your claim. You can reapply on or before April 30, 1985.

**Authority.** Shaw v. McMahon Stipulated Judgment and Order; ACL 84-109 and 85-25. You may review them at your welfare office.

**State Hearing.** If you think we are wrong, you may ask for a hearing. If you want a hearing, you must ask for one within 90 days from the date this notice is mailed. The back of this page tells how.

Shaw v. McMahon — Denial — Withdrew Claim

# Notice of Action

*If you have questions or want more information about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

Description of the Action, Amount, Reason(s), Comments.

Under the Shaw v. McMahan court case, you have claimed back aid for \_\_\_\_\_ / \_\_\_\_\_  
(Month/Year)  
through \_\_\_\_\_ / \_\_\_\_\_ .  
(Month/Year)

We have denied your claim because you won't help us get the information we need to process your claim. We need:

If you get this information to us by April 30, 1985, we will reinstate your application for back aid.

**Authority.** Shaw v. McMahan Stipulated Judgment and Order; ACL 84-109 and 85-25. You may review them at your welfare office.

**State Hearing.** If you think we are wrong, you may ask for a hearing. If you want a hearing, you must ask for one within 90 days from the date this notice is mailed. The back of this page tells how.

Shaw v. McMahan — Denial — Failure to Provide Information

# Notice of Action

*If you have questions or want more information about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

Description of the Action, Amount, Reason(s), Comments.

Under the **Shaw v. McMahan** court case, you have claimed back aid for \_\_\_\_ / \_\_\_\_  
(Month/Year)  
through \_\_\_\_ / \_\_\_\_  
(Month/Year)

We have denied your claim because you submitted it late. The deadline for applying for back aid was April 30, 1985.

**Authority.** **Shaw v. McMahan** Stipulated Judgment and Order; ACL 84-109 and 85-25. You may review them at your welfare office.

State Hearing. If you think we are wrong, you may ask for a hearing. If you want a hearing, you must ask for one within 90 days from the date this notice is mailed. The back of this page tells how.

**Shaw v. McMahan** — Denial — Late Claim

# Notice of Action

*If you have questions or want more information about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

• •  
  
• •

Description of the Action, Amount, Reason(s), Comments.

Under the Shaw v. McMahan court case, you have claimed back aid for \_\_\_\_\_ / \_\_\_\_\_  
(Month/Year)  
through \_\_\_\_\_ / \_\_\_\_\_  
(Month/Year)

We have denied your claim. We count the "lump sum" of money you got as property. You can't get aid when the worth of your property exceeds \$1,000. Our records show that the excess property is:

ITEM	VALUE
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

**Authority.** Shaw v. McMahan Stipulated Judgment and Order; ACL 84-109 and 85-25. You may review them at your welfare office.

**State Hearing.** If you think we are wrong, you may ask for a hearing. If you want a hearing, you must ask for one within 90 days from the date this notice is mailed. The back of this page tells how.

Shaw v. McMahan — Denial — Excess Property

# Notice of Action

*If you have questions or want more information about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

Description of the Action, Amount, Reason(s), Comments.

Under the **Shaw v. McMahan** court case, you have claimed back aid for \_\_\_\_\_ through \_\_\_\_\_. We have denied your claim because you are not eligible to receive State only AFDC-U.

You cannot get State only AFDC-U if the principal earner in your family meets the standards for the federal AFDC-U program. The principal earner is the parent who earned the most money in the last two years.

The principal earner in your family meets the federal standards because our records show that he or she either:

- was eligible to receive Unemployment Insurance Benefits in the last twelve months (from \_\_\_\_\_ to \_\_\_\_\_); or
- earned at least \$50 (in cash or in-kind) or was in training in at least 6 quarters out of the last 13 quarters in a row. (See the table below.)

YEAR	19 ____				19 ____				19 ____				19 ____			
QUARTER	JAN MAR	APR JUN	JUL SEP	OCT DEC												
DATE OF APPLICATION																
EARNINGS																
TRAINING																

**Authority.** **Shaw v. McMahan** Stipulated Judgment and Order; ACL 84-109 and 85-25. You may review them at your welfare office.

**State Hearing.** If you think we are wrong, you may ask for a hearing. If you want a hearing, you must ask for one within 90 days from the date this notice is mailed. The back of this page tells how.

**Shaw v. McMahan** — Denial — Principal Earner Eligible for Federal AFDC

# Notice of Action

*If you have questions or want more information about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

• •  
• •

Description of the Action, Amount, Reason(s), Comments.

Under the **Shaw v. McMahon** court case, you have claimed back aid for \_\_\_\_\_ / \_\_\_\_\_  
through \_\_\_\_\_ / \_\_\_\_\_  
(Month/Year) (Month/Year)

We have denied your claim because you already received three months of State AFDC in a 12 consecutive month period. The State AFDC program only allows you to get aid for three months in a 12 consecutive month period. You may apply again after the 12 consecutive month period ends.

**Authority.** **Shaw v. McMahon** Stipulated Judgment and Order; ACL 84-109 and 85-25. You may review them at your welfare office.

State Hearing. If you think we are wrong, you may ask for a hearing. If you want a hearing, you must ask for one within 90 days from the date this notice is mailed. The back of this page tells how.

**Shaw v. McMahon** — Denial — Already Received 3 Months State AFDC

# Notice of Action

*If you have questions or want more information about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

• •  
• •

### Description of the Action, Amount, Reason(s), Comments.

Under the **Shaw v. McMahan** court case, you have claimed back aid for \_\_\_\_\_ / \_\_\_\_\_  
through \_\_\_\_\_ / \_\_\_\_\_  
(Month/Year) (Month/Year)

We've denied your claim because the court ruling does not apply to you.

Here's Why:

- You had to have received the "lump sum" of money after April 1, 1982. You didn't. Your lump sum was before April 1982.
- You had to have lost aid by getting a "lump sum" of money after April 1, 1982. You didn't lose aid because of a lump sum of money.

**Authority.** **Shaw v. McMahan** Stipulated Judgment and Order; ACL 84-109 and 85-25. You may review them at your welfare office.

State Hearing. If you think we are wrong, you may ask for a hearing. If you want a hearing, you must ask for one within 90 days from the date this notice is mailed. The back of this page tells how.

**Shaw v. McMahan** — Denial — Not Class Member

## Completing the Denial Notices

- (1) Fill in the dates for the period of the claim being denied.
- (2) Provide in the appropriate spaces on the notice the specified information; i.e., dates, amounts, page numbers, etc.
- (3) Attach to the notice all additional pages appropriate to clearly provide the reason for denial. These additional pages may include, but are not limited to: computation sheets or other documents supporting the reason. Clearly number all pages.
- (4) If more than one reason for denial exists for the same period, combine the appropriate messages on the blank General Notice.
- (5) When the claim is being denied for failure to provide requested information/verification or affidavit, list the requested information/verification that was not provided on Denial — Failure to Provide Information.
- (6) The last sentence on the Denial — Withdrew Claim should be included only if the Notice is mailed prior to April 30, 1985.
- (7) List the excess property on Denial — Excess property.

# Notice of Action

*If you have questions or want more information about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

- 
- 
- 
- 

Description of the Action, Amount, Reason(s), Comments.

Under the Shaw v. McMahon court case, you are asking for back aid.

We can't process your claim for \_\_\_\_\_ through \_\_\_\_\_

because you now live in the county of \_\_\_\_\_

We've sent that county your claim. You should contact their welfare staff at once. When you do so, show them this notice. You have filed in time to be considered for benefits back to October 1, 1984.

**Authority.** Shaw v. McMahon Stipulated Judgment and Order; ACL 84-109 and 85-25. You may review them at your welfare office.

**State Hearing.** If you think we are wrong, you may ask for a hearing. If you want a hearing, you must ask for one within 90 days from the date this notice is mailed. The back of this page tells how.

Shaw v. McMahon - Denial — Incorrect County

### **Completing the Incorrect County Notice**

- (1) Fill in the dates for the period of the claim for which the claim is being forwarded to the correct county.
- (2) Fill in the name of the county where the claimant currently lives.
- (3) Mail the claimant's claim to the appropriate county.

# Notice of Action

*If you have questions or want more information about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

• •  
  
• •

Description of the Action, Amount, Reason(s), Comments.

Under the **Shaw v. McMahon** court ruling, we've approved your request for State only AFDC.

To the right, we show what you should have gotten for your State AFDC grant. The attached page shows you how we figured the amount we owe you for each month of State AFDC.

You'll get that amount now.

<b>We Owe You</b>	<b>For Month/Year</b>
\$ _____	/ _____
\$ _____	/ _____
\$ _____	/ _____
\$ _____ <b>Total</b>	

**Authority.** **Shaw v. McMahon** Stipulated Judgment and Order; ACL 84-109 and 85-25. You may review them at your welfare office.

**State Hearing.** If you think we are wrong, you may ask for a hearing. If you want a hearing, you must ask for one within 90 days from the date this notice is mailed. The back of this page tells how.

**Shaw v. McMahon** — Approval

## Completing the Approval Notice

- (1) **THIS NOTICE CANNOT STAND ALONE.** It must have at a minimum one of the **Shaw v. McMahon** General Continuation Pages attached in order to show the computation of the amount of money the claimant is to receive. It may be necessary to use more than one continuation page to reflect the computation for the eligible period being claimed. Clearly number all pages.
- (2) Fill in the amount of money the claimant is eligible to receive and the month and year this amount is for. The amount shown on this notice for the specified period must correspond to the amount calculated on the General Notice — Continuation Page.

# Notice of Action

If you have questions or want more information about this action, please contact your worker.

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

Description of the Action, Amount, Reason(s), Comments.

Under the **Shaw v. McMahan** court ruling, we've approved your request for State AFDC.

Table A shows what you should have gotten from your State AFDC. The attached page shows you how we figured the amount we owe you for each month of State AFDC.

BUT you owe us money because we overpaid you in the past. We are sending you a smaller amount than the total in Table A. Table B shows you what you will get from us. Also attached is a page that shows you how we figured your overpayment adjustment.

Table C shows what you still owe us.

**TABLE A**

We Owe You	For Month/Year
\$ _____	/ _____
\$ _____	/ _____
\$ _____	/ _____
\$ _____	/ _____
Total	

**TABLE B**

<b>Shaw</b> aid we owe you:	\$ _____
Overpayment adjustment you owe us:	_____
Total <b>Shaw</b> aid you get:	\$ _____

**TABLE C**

What you owed us:	\$ _____
Less overpayment adjustment from Table B:	_____
What you still owe us:	\$ _____

**Authority.** **Shaw v. McMahan** Stipulated Judgment and Order; ACL 84-109 and 85-25. You may review them at your welfare office.

State Hearing. If you think we are wrong, you may ask for a hearing. If you want a hearing, you must ask for one within 90 days from the date this notice is mailed. The back of this page tells how.

**Shaw v. McMahan** — Approval with Adjustment

## OVERPAYMENT ADJUSTMENT

1. Overpayment Owing \$ \_\_\_\_\_

2. Your Resources (figured below) \$ \_\_\_\_\_

Total AFDC Grant \$ \_\_\_\_\_

Gross Earned Income \_\_\_\_\_

Other Net Nonexempt Income \_\_\_\_\_

Liquid Resources

Type


3. The Total Amount of Your Resources You Are Allowed to Keep (figured below) \$ \_\_\_\_\_

Maximum aid for \_\_\_\_\_ persons \$ \_\_\_\_\_

Special Needs + \_\_\_\_\_

= \_\_\_\_\_

Multiply 90% or 95% (multiply  
90% unless our error then multi-  
ply 95%) x \_\_\_\_\_%

4. Your Resources Available to Pay Overpayment (2 minus 3) \$ \_\_\_\_\_

5. We Can Collect From Your Grant the Lowest of the Following:

Overpayment Owing from 1 Above \$ \_\_\_\_\_

or

Your AFDC Grant \_\_\_\_\_

or

The Difference in Your Available Resources  
From 4 above \_\_\_\_\_

**Completing the Approval with Adjustment Notice of Action:**

- (1) **THIS NOTICE CANNOT STAND ALONE.** It must have at a minimum one of the Shaw v. McMahan General Continuation Pages attached in order to show the computation of the amount of the state grant the claimant should have received. It may be necessary to use more than one continuation page to reflect the computation for the eligible period being claimed. Clearly number all pages.
- (2) Complete and attach the Overpayment Adjustment form along with the Continuation Page specified in (1) with this Notice of Action.

NOTE: When completing the Overpayment Adjustment form do not count the Shaw grant the person was eligible to receive as a liquid resource.

- (3) Fill in Table A indicating the amount of money the claimant is eligible to receive and the month and year this amount is for. The amount shown on this notice in Table A must correspond to the amount calculated on the General Notice — Continuation Page.
- (4) Fill in Table B indicating the Shaw aid the claimant should have received, the amount of the overpayment adjustment to be subtracted from the grant and the total Shaw aid the claimant will actually receive. This amount must correspond to the amount calculated on the Overpayment Adjustment page.
- (5) Fill in Table C if the claimant still has an outstanding overpayment owing.

# Notice of Action

If you have questions or want more information about this action, please contact your worker.

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

Description of the Action, Amount, Reason(s), Comments. Effective \_\_\_\_\_, the following action is being taken:

The county is stopping your cash aid. Right now, you don't qualify. Your income has jumped because of what we call "lump sum income".

From \_\_\_\_\_ through \_\_\_\_\_ you can't get federal AFDC. That's because your total family income will meet your total family need for that number of months. (We got this number by dividing "B" into "A" from the table below.)

However, you may still be able to get state AFDC. State rules differ from federal rules. After the first month, "lump sum" income is counted as property. When the value of your property drops below \$1,000, you may be able to get state aid. But you can get it for only three out of each twelve months. You must apply for it in person.

But NOTE this: You might get federal aid sooner if you must use your "lump sum" to stop a life threatening situation. What's more, others of your family might get aid if they move into your home. Contact us if either of these things happen.

## YOUR COUNTABLE INCOME FOR \_\_\_\_\_

### A. Your Income

Earned income	_____
Earned lump sum received	+ _____
Standard work disregard	- _____
Court ordered support paid	- _____
Disregard \$30	- _____
Subtotal	_____
Disregard 1/3 of Subtotal	- _____
Total Additional income	+ _____
Unearned lump sum received	+ _____
Total income	_____

### B. Your Needs

Need standard for	_____ persons	\$ _____
Special needs		+ _____
Total Needs		_____

### C. Your Period of Ineligibility

_____	divided by	_____	=	_____
A		B		Number of
Income		Needs		Months of
				Ineligibility

**Regulations.** This action is required by State regulations which are available for review at the county welfare department: Manual of Policies and Procedures (MPP) Section(s) Shaw v. McMahan/44-207.4.

Medi-Cal — California Administrative Code Title 22, Section(s) \_\_\_\_\_

**State Hearing.** If you are dissatisfied with this action, your aid may continue unchanged if you ask for a State Hearing before the effective date of the action. Read the back for important information about your right to appeal this action.

## Instructions for Use of the M44-207S (2/85) TEMP Lump Sum

- (1) Use this form to discontinue continuing cases affected by Shaw or who receive a lump sum.
- (2) This language has been approved by the Turner court and is mandatory. This language is intended to replace any other language for lump sum.
- (3) This notice is a temporary notice as changes in the program are occurring that will require that this form be re-evaluated.
- (4) We anticipate that this will be a low usage form.
- (5) Therefore, computer counties may wish to reproduce this form instead of computerizing the notice until such time as a permanent notice is established.
- (6) Complete the Countable Income portion of this form indicating the month the lump sum income is received.
- (7) Complete Section A to determine the total income available to the recipient.

NOTE: Lump sum received that is earned will be added to the "earned lump sum received" line so that appropriate deductions will be given. If the lump sum earned income is for more than one month be sure to figure the appropriate number of months in the standard work disregard. Lump sum income received that is unearned income will be listed in the column "unearned lump sum received." The lump sum received should not be listed as "Total additional income."

- (8) Complete Section B to determine the total needs of the recipient.
- (9) Complete Section C to determine the total number of months of ineligibility.

ATTACHMENT D

Flagged Case Notice

## LOST YOUR AID? THEN READ THIS . . .

**Did your AFDC stop because you got a "lump sum" of money? Then you might still get three months of state-only AFDC aid.**

Your federal AFDC aid stopped because you got "lump sum" income. The rule is that your money will support your family for your period of federal AFDC ineligibility. But the court has ruled (**Shaw v. McMahon**) that the state can't apply the federal "lump sum" rule to a state-only program.

This means that:

If you lost your federal AFDC aid because of the "lump sum" rule, you might still get as much as three months' state aid in a year's time. Getting state-only AFDC does not lengthen your period of ineligibility for the federal AFDC program.

To get this state aid, you must apply and meet with us face-to-face. We'll explain how you might get the back aid. And we'll help you fill out the forms which get it.

Phone us to schedule a meeting.

Please meet with us on:

---

Weekday/date/time

If you can't make the scheduled meeting, please phone for another time.

Our phone number is:

---

Our address is:

Come in at the earliest possible date so you have enough time to complete the application. Your written application must be turned in by **April 30, 1985**. If we do not hear from you we cannot tell if you should get 3 months of state-only AFDC aid.

ATTACHMENT E

Shaw v. McMahon Statistical Report

**STATISTICAL REPORT**

SEND ONE COPY TO: Department of Social Services  
 Statistical Services Branch  
 744 P Street, M.S. 12-81  
 Sacramento, California 95814  
 (916) 322-2230

SHAW vs. McMAHON
------------------

NAME OF COUNTY SUBMITTING REPORT

THIS REPORT IS DUE ON OR BEFORE:

August 1, 1985

THIS REPORT IS

 ORIGINAL SUBMISSION SUBSEQUENT REPORT  
NO. \_\_\_\_\_ REVISION NO. \_\_\_\_\_

REPORTING PERIOD

FROM: October 1, 1984

TO: April 30, 1985

1. Number of claims received	
2. Number of claims granted	
3. Number of claims denied	
4. Total amount of benefits paid (including retro payments offset by outstanding collectable overpayments)	\$

PERSON TO CONTACT REGARDING THIS REPORT

TELEPHONE NUMBER

DATE

ATTACHMENT F

Shaw v. McMahon County Certification

State of California  
Health and Welfare Agency

Department of Social Services

SHAW v. McMAHON

The County of \_\_\_\_\_, State of California, has issued instructions to eligibility workers to apply the Shaw v. McMahon retroactively to October 1, 1984 to all cases flagged per ACL 84-109 and to apply the Shaw policy prospectively in accordance with ACL 85-25.

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Your Name/Title (Print)

Date

---

Signature

Return completed form to:

Department of Social Services  
AFDC Policy Development Bureau  
744 P Street, MS 16-25  
Sacramento, CA 95814

Attention: Kathy Layne