

## DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



October 25, 1996

ALL COUNTY LETTER 96-59

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR TRANSMITTAL

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

SUBJECT: FOOD STAMP COURT CASE, LOPEZ v. ESPY

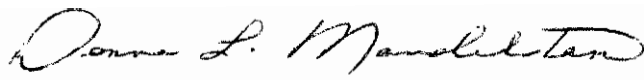
REFERENCE: ALL COUNTY LETTERS (ACL) 96-43 AND 96-51

The purpose of this letter is to provide County Welfare Departments (CWDs) with a federal policy modification in the Lopez v. Espy court case.

Per United States Department of Agriculture, Food and Consumer Service (FCS) instruction, as part of the implementation of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, CWDs were informed through ACL 96-51, dated September 18, 1996, to resume offsetting administrative error overissuances against underissuances, previously prohibited by the Lopez v. Espy court order. Subsequently, FCS has notified the California Department of Social Services that pending the promulgation of regulations or specific written instructions to the contrary, the court order should continue to be followed. Therefore, the instructions in ACL 96-51 specific to the Lopez v. Espy court case are no longer in effect. Any cases in which such offsetting occurred because of the instructions in ACL 96-51 must have the resultant lost benefits restored.

As stated in ACL 96-43, dated August 27, 1996, until further notice the only allowable means for collecting administrative error overissuances is voluntary repayment as described in Food Stamp Manual Section 63-801.431(e). Additionally, those households which agree to voluntary repayment in accordance with this section shall not have subsequent restorations of lost benefits offset even though they have opted for voluntary repayment. Also, in cases which require a recomputation of allotment amounts for multiple months, no balancing of resultant underissuances against administrative error overissuances is permitted. Any such underissuances must be promptly issued as lost benefits.

If you have any questions, please contact David Badal at (916) 654-1405 or Alan Rowe at (916) 653-5208.

  
 (for) BRUCE WAGSTAFF  
 Deputy Director  
 Welfare Programs Division