

Big Deals, Big Suits

Welfare Recipients Winners in CRLA

WELFARE RECIPIENTS LEAGUE v. McMAHON: California Rural Legal Assistance settled a 13-year-old class action with the state Department of Social Services on Oct. 11.

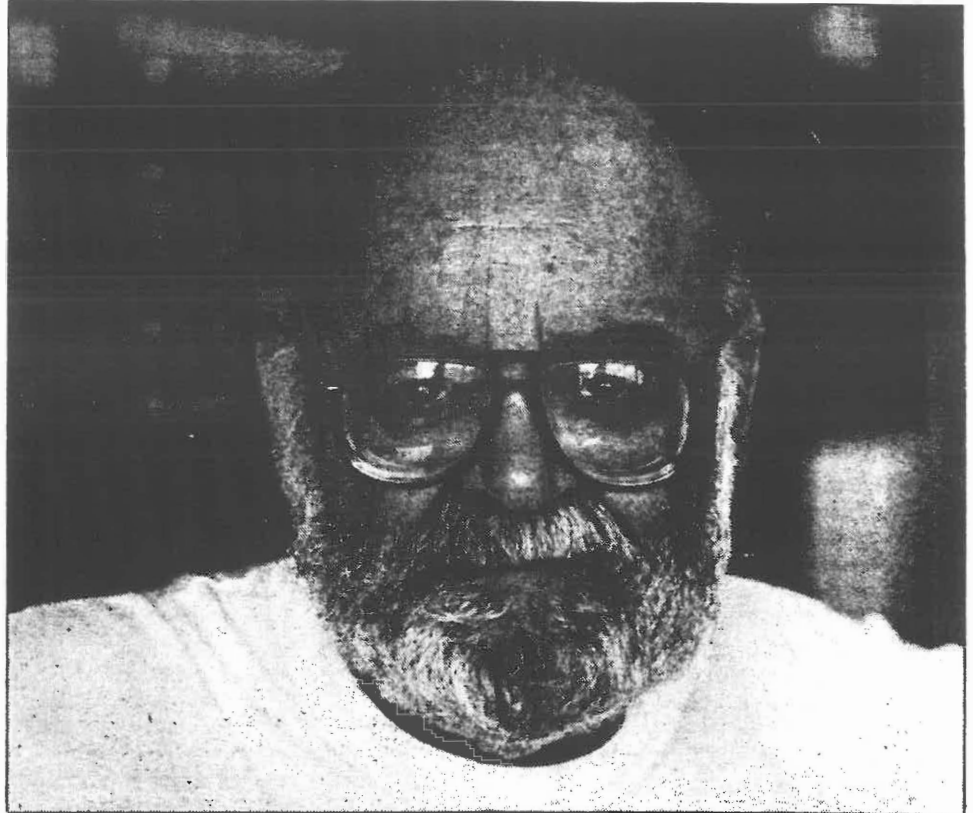
CRLA General Counsel **Ralph Abascal** of San Francisco and **Grace Galligher**, directing attorney for Sacramento's Coalition of California Welfare Rights Organizations, represented the plaintiffs throughout the action, *Welfare Recipients League v. McMahon*, 268972, in Sacramento County Superior Court.

Robert Newman, staff attorney of the Los Angeles office of the Western Center on Law and Poverty worked on the suit through 1989. **Brian Paddock**, regional counsel at Sacramento-based Legal Services of Northern California, joined the plaintiffs team in 1989.

The Department of Social Services was represented by Deputy Attorney General **Michael Hammang** and by **James Simon**, senior staff counsel for the Department of Social Services, both of Sacramento.

Terms of the settlement call for all future applicants for Aid to Families With Dependent Children to receive welfare payments retroactive to the date they file an application for aid with the department. In the past, applicants received payments beginning on the date an application was completed — a difference of as much as 45 days, or about \$1,236 for a family of four. The change is expected to cost the state between \$25 million and \$30 million each year in added payments.

In addition, the settlement will allow welfare applicants who have been denied retroactive payments since a preliminary injunction was issued in the case in 1982 to receive a flat compensation award of \$100 each. The payment, CRLA officials estimate, will total about \$120 million if all affected families can be identified and paid. Attorneys for the state declined to estimate what the settlement might cost, but agreed the final cost will depend on how many former applicants claim the awards.



RUSSELL D. CURTIS / THE RECORDER

CRLA GENERAL COUNSEL RALPH ABASCAL: He and three other attorneys for the poor had challenged the payment policies of the state Department of Social Services.

Previously, only families determined to be in "immediate need" — defined by state officials as those in danger of eviction, lacking clothing or adequate food — received retroactive aid payments. Aid to all other families began at the completion of the application.

The settlement was reached two years after the California Supreme Court denied the state's request for review of an earlier court of appeal decision. The Third District Court of Appeal in Sacramento ruled in 1987 that state aid regulations violated state law.

— KAREN LLOYD