

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],
Claimant

Reg. No: 2008-28088
Issue No: 1015
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
October 7, 2009
St. Joseph County DHS

ADMINISTRATIVE LAW JUDGE: Suzanne L. Keegstra

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on October 7, 2009. The claimant personally appeared and provided testimony.

ISSUE

Did the department properly budget the claimant's Family Independence Program (FIP) case in August, 2008?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. On July 22, 2008, the claimant was mailed a New Hire Employment Notice (DHS-4635), requiring the claimant to have the enclosed New Hire Employment Report (DHS-4635A) completed and returned to the department by August 1, 2008. (Department Exhibit 16).

2. The claimant returned the completed form and a paycheck stub on July 30, 2008. (Department Exhibit 15, 17).

3. The department completed a FIP budget based on prospective income of 20 hours per week at \$13 per hour. This resulted in the claimant being excess income for FIP benefits. (Department Exhibit 2, 13 – 14).

4. The claimant was mailed a Benefit Notice (DHS-176) on July 30, 2008, indicating that the claimant's FIP grant would be switched to EFIP and reduced to \$10 monthly beginning September 1, 2008. (Department Exhibit 6 – 8).

5. The claimant submitted a hearing request on August 5, 2009.

CONCLUSIONS OF LAW

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, *et seq.* The Department of Human Services (DHS or department) administers the FIP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3101-3131. The FIP program replaced the Aid to Dependent Children (ADC) program effective October 1, 1996. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Department policy states:

The department offers Extended FIP (EFIP) to help families transition to self-sufficiency. EFIP extends the families eligibility for supportive programs. Policy directs that families can receive EFIP for up to six months, with a grant of \$10, when loss of FIP eligibility relates to income from employment of a FIP program group member. PEM 519. Department policy goes on to state that EIP eligibility continues until the end of the six-month period or until it is known

by the department that no FIP program group member has earned income or the group regains regular FIP eligibility. PEM 519. Policy directs the department to complete a new FIP budget when income decreases are known, to determine if regular FIP eligibility is regained. PEM 519. If verification of decreased income is not provided, the department is not to take any action on the EFIP unless it is known that no EFIP group member has earned income. PEM 519.

In this case, the claimant was a recipient of FIP benefits when he became employed. The claimant submitted a New Hire Employment Report that showed he was going to earn \$13 per hour. WF/JET informed the claimant that he would no longer have to participate with WF/JET as he was making \$13 per hour, averaging about 20 hours per week.

When the department budgeted the claimant's case from this information, he was excess income for regular FIP benefits. The claimant was budgeted to have \$735 budgetable income and the payment standard for his group size (two) was \$401. Thus, he was excess income to receive regular FIP benefits. As he met the standard to receive EFIP, he was given a \$10 monthly benefit.

The claimant testified that he was employed with [REDACTED], but that his hours varied because he was working seasonal hours and that his job ended in November, 2008. This does not change the initial budget which determined the claimant was excess income for FIP benefits. If the claimant's circumstances changed (i.e. lower income or job stoppage), the claimant should report the circumstances to the department to allow them to reconsider the claimant's case and benefit levels. Department policy indicates that if verification of decreased income is not provided, the department is not to take any action on the EFIP.

Based on the information provided by the claimant concerning his employment, the department properly budgeted his case and found he was excess income for FIP benefits and, instead, qualified for EFIP benefits.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly budgeted the claimant's FIP case in August, 2009 and determined the claimant was excess income for regular FIP and only qualified for EFIP.

Accordingly, the department's actions are UPHeld. SO ORDERED.

/s/
Suzanne L. Keegstra
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: January 12, 2010

Date Mailed: January 19, 2010

NOTICE: Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

SLK [REDACTED]

cc: [REDACTED]