

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: 2009-16428
Issue No: 1005; 3008
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
April 22, 2009
Kalamazoo 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 April 22, 2009. The claimant personally appeared and provided testimony.

ISSUE

Did the department properly terminate the claimant's Family Independence Program (FIP) and Food Assistance Program (FAP) benefits in March 2009, for failure to provide verification of income?

FINDINGS OF FACT

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

1. The department received information from the Michigan Department of Treasury that the claimant had begun working and receiving income (Department Exhibit #3).
2. The department mailed the claimant a New Hire Employment Notice (DHS-4635) on February 17, 2009, that indicated the enclosed New Hire Employment Report form must be

completed by the claimant or his employer and returned to the worker by February 27, 2009.

The form states “[f]ailure to provide this information by the due date will result in cancellation of your public assistance benefits.”

3. Included with the New Hire Employment Notice (DHS-4635) was the New Hire Employment Report (DHS-4635A) addressed to the claimant that indicates “DHS received information from the Michigan Department of Treasury that the above person is working. Please answer the questions below and return this form to your Specialist in the enclosed return envelope by 2/27/09.” (Department Exhibit #4).

4. The department did not receive the completed New Hire Employment Report back from the claimant or his employer. The claimant’s FIP and FAP case was pended to close on March 11, 2009, due to the failure to return the requested verification (Department Exhibit #1, 2).

5. The claimant submitted a hearing request on the case closure on March 10, 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).

The Food Assistance Program (FAP) (formerly known as the Food Stamp (FS) program) is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department of

Human Services (DHS or department) administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Department policy states:

CLIENT OR AUTHORIZED REPRESENTATIVE RESPONSIBILITIES

Responsibility to Cooperate

All Programs

Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes completion of the necessary forms. PAM, Item 105, p. 5.

Refusal to Cooperate Penalties

All Programs

Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. PAM, Item 105, p. 5.

Responsibility to Report Changes

All Programs

This section applies to all groups **except** most FAP groups with earnings.

Clients must report changes in circumstances that potentially affect eligibility or benefit amount. Changes must be reported **within 10 days**:

- . after the client is aware of them, or
- . the start date of employment. PAM, Item 105, p. 7.

Income reporting requirements are limited to the following:

- . Earned income
 - .. Starting or stopping employment

- .. Changing employers
 - .. Change in rate of pay
 - .. Change in work hours of more than 5 hours per week that is expected to continue for more than one month
- . Unearned income
 - .. Starting or stopping a source of unearned income
 - .. Change in gross monthly income of more than \$50 since the last reported change. PAM, Item 105, p. 7.

Verifications

All Programs

Clients must take actions within their ability to obtain verifications. DHS staff must assist when necessary. See PAM 130 and PEM 702. PAM, Item 105, p. 8.

VERIFICATION AND COLLATERAL CONTACTS

DEPARTMENT POLICY

All Programs

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements.

Obtain verification when:

- . required by policy. PEM items specify which factors and under what circumstances verification is required.
- . required as a local office option. The requirement **must** be applied the same for every client. Local requirements may **not** be imposed for MA, TMA-Plus or AMP without prior approval from central office.
- . information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. The questionable information might be from the client or a third party. PAM, Item 130, p. 1.

Obtaining Verification

All Programs

Tell the client what verification is required, how to obtain it, and the due date (see “**Timeliness Standards**” in this item). Use the DHS-3503, Verification Checklist, or for MA redeterminations, the DHS-1175, MA Determination Notice, to request verification. PAM, Item 130, p. 2.

The client must obtain required verification, but you must assist if they need and request help. PAM, Item 130, p. 2.

Send a negative action notice when:

- . the client indicates refusal to provide a verification, **or**
- . the time period given has elapsed and the client has not made a reasonable effort to provide it. PAM, Item 130, p. 4.

The claimant testified that he did receive the New Hire Employment Notice (DHS-4635) and the New Hire Employment Report (DHS-4635A) that was mailed to him from the department. The claimant testified that he brought the New Hire Employment Report (DHS-4635A) to his employer and assumed the employer had completed the form and returned it to the department. The department representative testified that she never received the New Hire Employment Report (DHS-4635A) from the claimant or his employer.

Department policy requires the claimant to cooperate in providing necessary information for determining program eligibility or benefit levels. PAM 130. The department can assist a claimant having difficulties obtaining verifications and can extend time limits when necessary. PAM 105. However, the claimant must request help or an extension of time. In this case, the claimant did not request help from the department or any time extensions.

Department policy indicates that a negative action will be sent when the claimant has not made a reasonable effort to provide the necessary verifications within the required time period. PAM 130. The claimant testified that he provided the form to his employer and assumed that the employer returned the completed form to the department. While this may be the case, the

department still did not receive the form. It is not the department's responsibility to follow up with the claimant's employer to make sure the form is completed and returned to the department. It is the responsibility of the claimant to ensure that necessary verifications are received by the department. The claimant could confirm with his employer that the employer had returned the completed form to DHS or confirmed with DHS that the completed form had been sent or faxed to the department.

Further, even if the claimant had his employer complete the form, the form directs the claimant to turn in any pay stubs received. The claimant did not turn in any pay stubs to the department. Thus, the claimant does not appear to have made a reasonable effort to provide the information to the department as necessary.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly determined the claimant's FIP and FAP benefits should be terminated for failure to provide verification of income.

Accordingly, the department's action is AFFIRMED. SO ORDERED.

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

Date Signed: May 6, 2009

Date Mailed: May 8, 2009

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.

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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]