

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: 2009-2713

Issue No: 3008

Case No:

Load No:

Hearing Date:

May 6, 2009

Kent County DHS

ADMINISTRATIVE LAW JUDGE: Steven M. Brown

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 conducted from [REDACTED] on May 6, 2009.

ISSUE

Whether the Department properly denied Claimant's FIP application and reduced her FAP benefits?

FINDINGS OF FACT

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

- (1) Claimant is a FAP recipient.
- (2) On September 30, 2008, Claimant applied for FIP. The Department sent Claimant a Verification Checklist, DHS-3503, requesting that she return a Medical

Needs, DHS-54(a), and two Verification of Employment, DHS-38s, by October 10, 2008.
(Exhibit 8)

(3) On October 3, 2008 and October 7, 2008, the Department received the DHS-54(a) and two DHS-38s back from Claimant. The DHS-54(a) indicated that Claimant had eye surgery scheduled for October 6, 2008 and would be off work for two weeks. The DHS-38s listed Claimant's employment information, but did not indicate that she would be off work. (Exhibits 2,3,6,7)

(4) On October 6, 2008, Claimant faxed a revised DHS-54(a) to the Department which stated that she would be off work 2-4 weeks, instead of 2 weeks. The Department never received this document, but the issue to the Department was that it never received any information from Claimant's employer(s) that she had missed work and/or expected to miss work. Claimant was informed of this by telephone which is evidenced by an October 23, 2008 Documentation Record – "Client states that she is now off work for an entire month. Adv that need employment verf. to indicate off from work for more than two weeks. And Dr. Statement that reflects the same. Adv client that she had income in 10/08 and expects income in 11/08 due to returning to work 11/4/08."
(Exhibits 10,11)

(5) On October 16, 2008, the Department informed Claimant that it would process her FAP Semi Annual Contact Report which was originally returned to the Department on September 12, 2008 without any income verification. (Exhibits 1,9)

(6) On October 17, 2009, the Department completed FAP and FIP budgets based on the DHS-38s Claimant had recently returned to the Department which resulted

in Claimant's FAP benefits being reduced and FIP benefits being denied due to excess income. (Exhibits 4,5)

(7) On October 21, 2008, the Department received the Claimant's hearing request protesting the reduction of her FAP benefits and denial of FIP benefits.

CONCLUSIONS OF LAW

The Food Assistance Program, 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"), formally known as the Family Independence Agency, administers the FAP program pursuant to MCL 400.10, *et seq* and MAC R 400.3001-3015. Departmental policies are found in the Program Administrative Manual ("PAM"), the Program Eligibility Manual ("PEM"), and the Program Reference Manual ("PRM").

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).

All earned and unearned income available to the Claimant is countable. Earned income means income received from another person or organization or from

self-employment for duties that were performed for remuneration or profit. Unearned income means ALL income that is not earned and includes FIP, RSDI and SSI. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. PEM 500

The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Actual income is income that was already received. Prospective income is income not yet received but expected. Prospective budgeting is the best estimate of the client's future income. PEM 505

All income is converted to a standard monthly amount. If the client is paid weekly, the Department multiplies the average weekly amount by 4.3. If the client is paid every other week, the Department multiplies the average bi-weekly amount by 2.15.

PEM 505

Clients must cooperate with the local office in determining initial and ongoing eligibility to include the completion of the necessary forms. PAM 105, p. 5 Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. PAM 130, p. 1 A collateral contact is a direct contact with a person, organization of agency to verify information from the client. PAM 130, p. 2 When documentation is not available, or clarification is needed, collateral contact may be necessary. PAM 130, p. 2 Client's are allowed 10 calendar days (or other time limit specified in policy) to provide the requested verifications. PAM 130, p. 4 If the client cannot provide the verification despite a reasonable effort, the time limit should be extended no more than once. PAM 130, p. 4 Clients are allowed a reasonable opportunity to resolve any discrepancy between statements and information obtained

through another source. PAM 130, p. 6 A negative action notice should be sent when the client indicates a refusal to provide the verification or the time period provided has lapsed and the client has not made a reasonable effort to provide it.

In the instant case, Claimant did not initially provide the required income verification with her Semi-Annual Contact Report for her FAP case. The Department used the information from the DHS-38s Claimant returned when she applied for FIP benefits. Based on the same, Claimant's FAP benefits were reduced and she was not eligible for FIP benefits. With the above said, I find that the Department established that it acted in accordance with policy in denying Claimant's FIP application and reducing her FAP benefits.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department properly denied Claimant's FIP application and reduced her FAP benefits.

Accordingly, the Department's FIP and FAP eligibility determination is
AFFIRMED.

/S/

Steven M. Brown
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: May 13, 2009

Date Mailed: May 14, 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 60 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt 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.

SMB/db

cc:

