

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No: 2010-16637

Issue No: 1015

[REDACTED]

Hearing Date:

October 5, 2010

Macomb County DHS (12)

ADMINISTRATIVE LAW JUDGE: Suzanne L. Morris

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 5, 2010. The claimant appeared and provided testimony.

ISSUE

Did the department properly budget the claimant's Family Independence Program (FIP) grant?

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 claimant received FIP benefits in the amount of [REDACTED] for the months of June – October, 2009. (Department Exhibit 2)
2. On September 17, 2009, the claimant submitted a Semi-Annual Contact Report that listed a job with Burlington Coat Factory that started on August 14, 2009. (Department Exhibit 4)
3. This new income was budgeted and the claimant's FIP benefit was reduced to [REDACTED] for the month of November, 2009. (Department Exhibit 2)

4. All the claimant's sources of income were removed from the FIP grant and the claimant received [REDACTED] beginning December, 2009. (Department Exhibit 2)
5. The claimant submitted a hearing request on August 28, 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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) 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. BAM, 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. BAM, 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. BAM, Item 105, p. 7.

Verification is usually required at application/redetermination **and** for a reported change affecting eligibility or benefit level. BAM, Item 130, p. 1.

FIP, SDA, CDC, FAP

Client reporting requirements **do not** necessarily affect when a budget must be completed.

Complete a budget when:

- . the department is made aware of or the client reports a change in income that will affect eligibility or benefit level, or

- . a reported change results in the need to convert income to or from a standard monthly amount. BEM, Item 505, p. 8.

Income Decrease

FIP and SDA

Income decreases that result in a benefit increase must affect the month after the month the change is reported or occurred, whichever is earlier, provided the change is reported timely. Do not process a change for a month earlier than the month the change occurred. Supplements are not issued to correct underissuances caused by the group's failure to report timely.

In this case, the claimant is disputing the department's budgeting of her FIP grant. The claimant testified that she stopped working for Phoenix Movie Theaters at the end of March, 2009. The claimant further testified that the department continued to budget the income until November 2009.

The department representative testified that there was no report/verification of the job stoppage provided to the department, so the income continued to be budgeted. The department representative examined the case file and found several Verifications of Employment and paycheck stubs, but no report or verification of the job stop from ██████████.

The claimant reported that she had been told by a caseworker, LV, that there was verification in the file of the job stop. This Administrative Law Judge held the record open to allow LV to provide a statement in response to the claimant's contention, as the caseworker was not able to be present at the hearing. The caseworker did provide a written statement on October 6, 2010. The caseworker indicated that the department did not have any verification or report that the employment with ██████████ had stopped. LV also reported that there were no records of phone calls or contacts from the client reporting the end of employment.

Department policy requires claimants to report any change in employment within ten days. BAM 105. If a change is reported timely and the benefits would increase due to the change, the increase must affect the month after the month the change is reported or occurred. BEM 505. However, in this case, the evidence does not show that the claimant timely reported the change. Thus, the department could not act on the change in the month it was reported or occurred. Department policy indicates that supplements will not be issued for changes that are not reported timely. BEM 505. Thus, the claimant is not entitled to receive any retroactive FIP 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 Family Independence Program (FIP) grant.

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

_____/s/_____
Suzanne L. Morris
Administrative Law Judge
for Duane Berger, Director
Department of Human Services

Date Signed: January 18, 2011

Date Mailed: January 19, 2011

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.

[REDACTED]