

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.: 201050298
Issue No.: 1005
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: November 22, 2010
Office: Macomb County DHS (12)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the claimant's request for a hearing. After due notice, a telephone hearing was held on November 22, 2010. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Manager, appeared and testified.

ISSUE

Whether DHS properly denied Claimant's application dated 6/3/10 for Family Independence Program (FIP) benefits based on Claimant's alleged failure to sufficiently verify a loss of employment 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. Claimant applied for FIP benefits on 6/3/10.
2. On 6/12/10, DHS mailed Claimant a Verification Checklist (Exhibit 2) requesting several items including a verification for "loss of employment".
3. The due date for Claimant to submit the items requested on the Verification Checklist was 6/22/10.
4. On 6/21/10, Claimant submitted a letter (Exhibit 4) from her employer which stated that Claimant "will be done working sometime in June due to her pregnancy".

5. Claimant's letter from employer did not specify a final date of employment or a final pay amount prior to her employment stoppage.
6. On 7/6/10, DHS denied Claimant's FIP benefits due to Claimant's alleged failure to verify her final date of employment or the gross amount of her final pay prior to her employment stoppage.
7. On 7/16/10, Claimant requested a hearing disputing the denial of her FIP benefit application.

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 (formerly known as the Family Independence Agency) 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 Reference Tables Manual (RFT).

A request for program benefits begins with the filing of a DHS-1171 or other acceptable form. BAM 110 at 1. If verifications are needed to process the application, the Verification Checklist (DHS-3503) is used to make the request. BAM 130 at 3. DHS is to inform the client what verification is required, how to obtain it and the due date. *Id* at 2. DHS must give clients at least ten days to submit verifications. *Id* at 5. If the client cannot provide the verification despite a reasonable effort, DHS is to extend the time limit at least once. *Id.* After the date passes for submission of verifications, DHS may send a negative action notice if the time period given has elapsed and the client has not made a reasonable effort to provide the information. BAM 130 at 5.

In the present case, it was not disputed that DHS requested a verification of "loss of employment". It was also not disputed that Claimant timely submitted a letter from her employer concerning loss of employment. DHS contends that Claimant's letter was insufficient because it failed to indicate Claimant's specific final date of employment and Claimant's final gross payment amount.

The undersigned agrees that DHS is obligated to verify Claimant's final employment payment. For stopping income, DHS is to budget the final income expected to be received in the benefit month. BEM 505 at 6. DHS is to use the best available information to determine the amount of the last check expected. *Id.* Use information from the source and from the client. *Id.* DHS cannot budget the final income payment

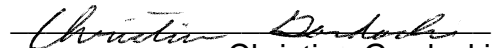
without knowing the final income amount and pay date. It is found that Claimant's final employment payment and pay date was required information for processing of Claimant's FIP benefit application.

The problem with the DHS contention that Claimant failed to verify her final employment payment and pay date is that DHS failed to establish that Claimant was given appropriate notice of the request. DHS requested a verification of "loss of employment". The employer letter returned by Claimant indicated that Claimant would stop working "sometime in June" due to Claimant's pregnancy. Technically, Claimant's letter is a verification of stopped employment, which is all that DHS requested. The undersigned is not inclined to interpret "loss of employment" to include a requirement to verify a specific final pay date and final pay amount.

It should be noted the Verification Checklist also (Exhibit 2) requested verification of Claimant's "last 30 days of check stubs". At the time of the request, Claimant's employment had not stopped; Claimant reported an expected stoppage of employment to DHS. It is presumed that Claimant verified the 30 days of income received prior to the mailing of the checklist as DHS did not cite Claimant's failure to verify her income as a basis for the FIP benefits denial. It is found that DHS improperly denied Claimant's FIP benefits application dated 6/3/10. Though the undersigned finds that DHS improperly denied Claimant's FIP benefits, it is not necessarily concluded that Claimant is eligible for FIP benefits or that Claimant has submitted sufficient information for DHS to determine Claimant's FIP benefit eligibility.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly denied Claimant's application dated 6/3/10 for FIP benefits. It is ordered that DHS reinstate Claimant's application for FIP benefits for 6/3/10 and to process Claimant's application in accordance with DHS regulations and the findings of this decision. DHS may also request further clarification of Claimant's final date of employment in 6/2010 and Claimant's final gross pay amount prior to her employment stoppage. The actions taken by DHS are REVERSED.


Christian Gardocki
Administrative Law Judge
For Ismael Ahmed, Director
Department of Human Services

201050298/CG

Date Signed: December 2, 2010

Date Mailed: December 2, 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 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.

CG/hw

cc:

