

STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No: 2011-46448
Issue No: 1015
Case No: [REDACTED]
Hearing Date: September 8, 2011
St. Joseph County DHS

ADMINISTRATIVE LAW JUDGE: Christopher S. Saunders

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 September 8, 2011. The claimant personally appeared and provided testimony.

ISSUES

Whether the department properly determined the amount of the claimant's Family Independence Program (FIP) 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. The claimant was a recipient of FIP benefits at all time pertinent to this hearing.
2. The claimant was working at Pizza Hut while receiving her FIP benefits. (Department Exhibits 8-10).
3. The claimant ceased working due to her pregnancy and received her final pay check on June 3, 2011. (Department Exhibits 8-10).
4. Based upon the claimant no longer being employed, the department ran a new budget that increased the amount of the claimant's benefits effective July 1, 2011. (Department Exhibits 4-7).
5. The claimant was informed of the increase in her benefits by way of a notice of case action (DHS 1605) which was sent to the claimant on June 20, 2011. (Department Exhibits 4-7).

6. The claimant filed a hearing request June 28, 2011, protesting the date of increase of her FIP benefits.

CONCLUSIONS OF LAW

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1)

Clients have the right to contest a department decision affective eligibility for benefit levels whenever it is believed that the decision is incorrect. BAM 600. The department will provide an administrative hearing to review the decision and determine the appropriateness of that decision. BAM 600.

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 that clients must cooperate with the local office in determining initial and ongoing eligibility. This includes completion of the necessary forms. Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. Clients must take actions within their ability to obtain verifications. BAM 105.

DHS staff must assist when necessary. The local office must assist clients who ask for help in completing forms or gathering verifications. Particular sensitivity must be shown to clients who are illiterate, disabled or not fluent in English. BAM 105.

Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. The department must tell the client what verification is required, how to obtain it, and the due date. The Verification Checklist (DHS-3503) is mailed to the client to request verifications. The client must obtain the required verifications, but the department must assist if clients need and request help. BAM 130.

For purposes of determining a claimant's monthly benefits amount, policy states that countable and available income for the month being processed is to be used in determining a budget. BEM 505. Policy further states that if a claimant's income has changed, the department must complete a new budget to reflect the change in income. For a reduction in income that will increase the amount of the claimant's benefits,

benefits increases must affect the month after the month the change is reported or occurred, *whichever is earlier*, provided that the change was reported timely. BEM 505. Changes to a claimant's income must be reported within ten days after the change occurs in order to be considered timely. BAM 105.

In the case at hand, the claimant testified that her last day of work was at the end of May. This testimony is confirmed by the medical needs form submitted by her doctor on June 2, 2011 and dated May 26, 2011 (see Department Exhibits 16-17). Furthermore, information submitted by the claimant's employer shows that the claimant last worked on May 29, 2011 and that she received her last paycheck on June 3, 2011 (see Department Exhibits 8-10). The claimant further testified that she reported to the department that she was no longer able to work after May on several occasions but was not able to contact her worker. The evidence does show that the claimant's medical needs form was submitted to the department on June 2, 2011, which informs the department that the claimant is no longer able to work due to complications from her pregnancy. There is also documentation of a phone message in the department's file showing that the claimant called on June 2, 2011 regarding her medical needs form.

Based on the evidence of record, the Administrative Law Judge determines that the claimant's last day of work was May 29, 2011, and as such was the date that her change occurred for purposes of budgeting income for benefit calculation. Furthermore, the Administrative Law Judge finds that the claimant informed the department of the change in her income on June 2, 2011 by calling and by having her medical needs form sent to the department. Therefore, the claimant informed the department of the change in her employment status timely (within ten days of the change). Because the claimant informed the department in a timely fashion, the department is instructed by policy to process the change for the month after the change reported or occurred, whichever is earlier. Since the change occurred in May and the change was reported timely, the department should have processed the change for the month of June using the prospective income the claimant was expected to receive for that month and continuing for future months according to the claimant's income.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department should have processed the claimant's change in income to affect the month of June, 2011 as per policy.

Accordingly, the department's actions are **REVERSED**. It is HEREBY ORDERED that the department shall recalculate the claimant's FIP benefits for the month of June 2011, and if the claimant is otherwise eligible, issue any past due benefits due and owing to the claimant.

/s/

Christopher S. Saunders
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: September 30, 2011

Date Mailed: October 3, 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 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.

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