

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2013-57973
Issue No.: 3008; 6019
Case No.: [REDACTED]
Hearing Date: August 14, 2013
County: Macomb 36

ADMINISTRATIVE LAW JUDGE: Susanne E. Harris

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, a telephone hearing was held on August 14, 2013, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of Department of Human Services (Department) included Eligibility Specialist (ES) [REDACTED].

ISSUE

Did the Department properly take action to close the Claimant's Child Development and Care (CDC) case for excess income and properly take action to reduce the Claimant's Food Assistance Program (FAP) benefits for failing to verify her shelter expenses?

FINDINGS OF FACT

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

1. The Claimant is an ongoing recipient of CDC and FAP benefits.
2. Regarding the closure of the Claimant's CDC case, there is no documentary evidence in the record. The Department testified that the Claimant's case closed effective May 19, 2013-ongoing. The Department testified that the Claimant was sent a DHS-1605, Notice of Case Action informing her of the closure on May 10, 2013. The Claimant contested that testimony and stated that the negative action occurred in April of 2013.
3. Prior to the Claimant submitting her verification of her shelter expense, she informed the Department's ES that she was having difficulty obtaining her [REDACTED]. The Department's ES personally knows the Claimant's landlord.

4. On June 17, 2013, the Claimant submitted what the Department's ES determined was unacceptable verification of her [REDACTED].
5. On July 2, 2013, the Department's ES telephoned the Claimant to advise her that her rental verification was not acceptable.
6. On July 3, 2013, the Department sent the Claimant a DHS-1605, Notice of Case Action informing her that her monthly FAP allotment had been reduced to \$ [REDACTED] effective July 1, 2013.
7. On July 10, 2013, the Department's ES telephoned the Claimant's landlord and obtained acceptable verification of the Claimant's rental expense.
8. On July 10, 2013, the Department sent the Claimant a DHS-1605, Notice of Case Action informing the Claimant that her monthly FAP allotment was increased to \$ [REDACTED] effective August 1, 2013.
9. On July 11, 2013, the Department received the Claimant's written hearing request protesting the closure of her CDC case and the reduction in her FAP allotment.

CONCLUSIONS OF LAW

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq.* The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3101 through R 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

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 (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3001 through R 400.3015.

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

The Adult Medical Program (AMP) is established by 42 USC 1315, and is administered by the Department pursuant to MCL 400.10, *et seq.*

The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 ACS, R 400.3151 through R 400.3180.

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001 through R 400.5015.

Bridges Administrative Manual (BAM) 130 (2012) pp. 2, 3 provides that a collateral contact is a direct contact with a person, organization or agency to verify information from the Claimant. It further provides that it might be necessary to make such a contact when documentation is not available or when available evidence needs clarification. The Claimant must obtain required verification, but the Department's ES must assist if they need and request help. In this case, the Claimant clearly indicated to her ES that she was having difficulty obtaining verification of her rental expense, the ES personally knew the Claimant's landlord and yet did not make a collateral contact to verify the expense until after the Claimant submitted what the ES determined to be unacceptable verification of the expense and until after the Claimant's FAP allotment was calculated without a shelter expense. This resulted in the Claimant receiving a FAP allotment for July that was approximately half of what she would have otherwise been entitled to. The Administrative Law Judge determines that the Department was not acting according to its policy when it did not make the collateral contact at the time the Claimant expressed she was having difficulty ,or even when she submitted the verification she received from her landlord that was ultimately determined to be unacceptable.

Furthermore, there is no FAP budget in evidence and though the Department testified regarding the [REDACTED] budget, there is no documentary evidence at all regarding the [REDACTED] case. There is no verification of income for either the [REDACTED] or FAP case and the budget is a crucial piece of evidence to consider when determining whether or the Department acted in accordance with departmental policy when taking action to reduce the Claimant's FAP allotment and close the Claimant's [REDACTED] case. As such, the Administrative Law Judge determines that the Department was not acting in accordance with its policy when taking action to close the Claimant's [REDACTED] case and reduce the Claimant's monthly FAP allotment.

DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law finds that the Department did not act properly when taking action to close the Claimant's CDC case and reduce the Claimant's monthly FAP allotment.

Accordingly, the Department's AMP FIP FAP MA SDA CDC decision is **AFFIRMED** REVERSED.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Initiate action to re-determine the Claimant's eligibility for FAP back to July 1, 2013, and
2. Initiate action to re-determine the Claimant's eligibility for CDC back to the closure date, and
3. Initiate action to issue the Claimant any supplements she may thereafter be due.

/s/

Susanne E. Harris
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 8/20/13

Date Mailed: 8/21/13

NOTICE: Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (60 days for FAP cases)

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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
 - misapplication of manual policy or law in the hearing decision,
 - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
 - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at
Michigan Administrative Hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

SEH/tb

cc:

